

VIRGINIA
DEPARTMENT OF THE TREASURY

1986
ANNUAL REPORT



VIRGINIA DEPARTMENT OF THE TREASURY

Annual Report of the Treasurer
to the Governor of Virginia
for the Fiscal Year Ended June 30, 1986

GERALD L. BALILES
Governor

STUART W. CONNOCK
Secretary of Finance

WM. CLAY WILEY
Treasurer

TABLE OF CONTENTS

	Page
Introductory Section	
Financial Highlights	3
Treasurer's Letter of Transmittal and Management Summary	4
Organization Chart	12
Financial Section	
Combined Balance Sheet—All Fund Types Managed by Treasury	14
Combined Balance Sheet—Debt Service Funds	15
Combined Balance Sheet—Capital Projects Funds	16
Combined Balance Sheet—Special Revenue Funds	17
Combined Balance Sheet—Higher Education Funds	18
Combined Balance Sheet—Other Agency Funds	19
Combined Balance Sheet—Expendable Trust Funds	20
Statement of Revenues, Expenditures, and Changes in Fund Balances—All Fund Types	22
Statement of Revenues, Expenditures, and Changes in Fund Balances—Debt Service Funds	24
Statement of Revenues, Expenditures, and Changes in Fund Balances—Capital Projects Funds	26
Statement of Revenues, Expenditures, and Changes in Fund Balances—Special Revenue Funds	28
Statement of Revenues, Expenditures, and Changes in Fund Balances—Higher Education Funds	29
Statement of Revenues, Expenditures, and Changes in Fund Balances—Expendable Trust Funds	30
Combining Statement of Changes in Assets and Liabilities— Other Agency Funds	32
Notes to Financial Statements	33
Statistical Section	
Outstanding General Obligation Debt	38
Principal of Outstanding Debt, Past Six Years	39
Annual Debt Service Requirements	40
Constitutional Debt Limit for General Obligation Debt—Section 9(b) and Section 9(c)	41
Debt of State Agencies, Authorities and Institutions Not Backed by the Full Faith and Credit of Virginia	42
Outstanding Debt of Cities, Counties, and Towns	43
Public Facilities Bonds, Higher Educational Institutions Bonds and Transportation Facilities Bonds—Detail of Long Term Indebtedness	44
Higher Educational Institutions Bonds—Detail of Long Term Indebtedness by Institution	48
Higher Educational Institutions Bonds—Statement of Condition of Bond Sinking Funds	53
Special Capital Improvement Revenue Bonds—Detail of Long Term Indebtedness	54
Virginia Public School Authority—Long Term Indebtedness	56
Non-Financial Section	
Boards and Authorities	58
Executive Page	59



Wm. Clay Wiley, Treasurer, Mary K. Ittermann (left), Pat Watt (right)

The Department of the Treasury is engaged in a proactive policy of providing innovative, creative, and responsible financing for Governor Gerald L. Baliles' initiatives in transportation, education, and economic development: The hallmarks of the "New Dominion." The Department is constantly seeking new ways to manage Virginia's financial resources. Our challenge is to fulfill the responsibility of State government to meet the needs of the people of the Commonwealth amidst the climate of changing tax policy at the federal level.

Through effective internal policies and procedures; efficient operating systems; creation and development of a strategic management plan; better communications with the financial community; and, increased public-private cooperation and exchange of ideas, the Treasury is positioning itself to anticipate Virginia's future financial needs while implementing the Governor's policies. The Department of the Treasury looks forward to an exciting future while continuing its commitment to the sound financial responsibility inherent in our past.



Gregory A. Schnitzler *George E. Calvert, Jr.* *Vivian E. Herbert* *A. I. Samper*

Gregory A. Schnitzler

Director of
Cash Management &
Investments

George E. Calvert, Jr.

Director of
Debt Management

Vivian E. Herbert

Director of
Abandoned Property

A. I. Samper

Director of
Operations

Virginia Department of the Treasury
FINANCIAL HIGHLIGHTS

3

(Dollars in Thousands)

		Fiscal Year Ended June 30	
		1986	1985
INVESTMENT INCOME			
Interest Income:			
General Account	\$ 83,113	\$ 85,444	
Virginia Supplemental Retirement System	49,314	36,207	
Special and Trust Funds	40,800	35,932	
Total Interest Income	173,227	157,583	
Fee Income:			
Collateral Custodial Fees	129	111	
Local Government Investment Pool Fees	77	46	
Total Fee Income	206	157	
Total Investment Income	\$ 173,433	\$ 157,740	
INVESTMENT STATISTICS			
Average Invested Balances	\$1,976,000	\$1,522,000	
Average Yield	8.8%	10.4%	
ABANDONED PROPERTY			
Unclaimed Property Reported by Holders	\$ 15,887	\$ 11,970	
Findings from Audits of Holders	5,721	10,702	
Escheat Receipts	707	424	
Total Abandoned Property	22,315	23,096	
Application of Amounts:			
Escheat Expenses, Refunds, and Taxes	333	339	
Returned to Owners by Department	2,218	994	
Returned to Owners by Holders	6,891	3,038	
Unremitted or Disputed Amounts	1,732	9,771	
Departmental Operating Expenses	1,167	869	
Total Application	12,341	15,011	
Net to Literary Fund:			
From Unclaimed Property	9,600	8,000	
From Escheats	374	85	
Total to Literary Fund	\$ 9,974	\$ 8,085	
LONG-TERM DEBT (Year-end Balances)			
Total General Fund Supported Debt	\$ 460,062	\$ 435,994	
Non-General Fund Supported Debt:			
State Agency Debt	\$ 296,094	\$ 335,119	
State Authority Debt	3,434,502	2,828,108	
Total Agency and Authority Debt	\$3,730,596	\$3,163,227	

Wm. Clay Wiley
Treasurer
P.O. Box 6-H
Richmond, Virginia

The Honorable Gerald L. Baliles
Governor of the Commonwealth
State Capitol
Richmond, Virginia

December 15, 1986

Dear Governor Baliles:

In compliance with the provisions of Section 2.1-191 of the *Code of Virginia*, (1950), as amended, I hereby submit my Annual Report for the fiscal year ended June 30, 1986. As further elaborated upon within the remainder of this letter, my Report presents the performance of the Department of the Treasury and our progress toward our mission to ensure that the Commonwealth can meet the demands of the future in a responsible, proactive manner. I believe that the priorities I have set for the Department of the Treasury establish the kind of sound financial policy and structure that will move the State forward to meet the challenges of the future.

Management's Responsibilities

This Report has been prepared by the Office of the Treasurer whose management is responsible for the integrity and objectivity of the financial statements and other information presented herein. While the financial statements presented are unaudited, I believe the data presented is accurate in all material respects and that disclosures necessary to enable the reader to obtain an understanding of selected financial activities of the Treasury have been included. The basis for these conclusions results from our assessment of the internal controls operating within this Office. The establishment of such internal controls necessarily requires estimates and judgments from management so that, in attaining reasonable assurance as to the adequacy of such controls, the cost of controls should not exceed the benefits obtained. I believe the internal accounting controls of this Office adequately safeguard assets and provide reasonable assurance as to the proper recording of financial transactions.

The major responsibilities of the State Treasury are to receive, maintain custody of, and disburse all funds collected by State Government; to arrange for and manage the short and long-term financing needs of the Commonwealth; to invest State monies; to maintain and enhance cash management and banking services; to administer unclaimed property and escheat laws; to administer the Security for Public Deposits Act; and, to serve on various mandated boards and commissions. Some of these activities are performed under the authority of the Treasury Board. Highlights of each of these functions is further elaborated upon in this Report.

Financial Highlights—Executive Summary

The execution of efficient cash management techniques and the development of effective Treasury programs and operating systems to support the responsibilities and objectives of the organization form the basis of Virginia's Treasury operations. As a central State agency, Treasury has developed many programs over the past several years which have contributed significantly to the revenues of the State, have aided other State agencies and local governments, and have resulted in significant savings in operating expenses and bank service costs.

Details of each of these programs are outlined under the five divisional functions which follow. Highlights of significant areas of interest, however, are noted below:

- Treasury's gross income from investments was \$173.4 million compared to \$157.7 million in the prior year. Abandoned property identified was \$22.3 million compared to \$23.1 million in the prior year.

• An average of \$1,976 million was invested with an average earnings yield of 8.8%. By comparison, the average yield on 91-day U.S. Treasury Bills was 7.0% while the average yield on one-year U.S. Treasury Bills was 7.5% during the same period.

• The Local Government Investment Pool (LGIP) is for the benefit of political subdivisions and State agencies and authorities and has grown from \$29.3 million with 31 participants last year to \$73.3 million with 45 participants during the current year.

• Investment Division fee income for operation of the LGIP and for collateral custodial fees increased from \$157 thousand last year to \$206 thousand for the current year.

• Unclaimed Property reported for the current year was \$21.6 million. Of that amount, \$9.1 million was returned to owners and \$9.6 million was transferred to the State's Literary Fund to provide low interest loans to localities for financing public school construction. The audit program begun in 1983 has continued to grow. A total of 52 audits were performed this year compared to 24 for the prior year.

• Treasury operations completed negotiations this year with disbursement banks to implement a computer based microfilm index for the storage and retrieval of 8 million checks disbursed annually.

• The use of the automated clearing house disbursement system (ACH) continues to expand in an effort to electronically transfer funds and further eliminate paper based disbursement systems. ACH transactions accounted for 245 thousand payments this year compared to 167 thousand last year.

• The Debt Management Division initiated the ground work for the creation of comprehensive debt management policies for the Commonwealth.

• Major cash management initiatives were implemented to further improve cash flow forecasting, expand the use of lockbox collection systems and concentration accounts, refine the banking network to focus on service quality at reasonable costs, centralize banking services and implement a statewide armored car service.

Cash Management and Investments

Rapidly changing economic conditions, new technology, and financial innovations combine to create today's sophisticated field of cash management. Recognizing the benefits to be derived from the proper management of cash, investments, and banking services, a separate division within the Treasury is assigned the responsibility for the investments of State monies; forecasting of cash receipts and disbursements; administration and direction of cash management policy to agencies and institutions; concentration of funds; and, development and procurement of statewide banking and cash management services.

The Department of the Treasury's Cash Management professionals generate the largest non-tax revenue to the State's General Fund. Assets under management include the State's General Account, the Virginia Supplemental Retirement System's short-term investments, numerous construction and trust funds for roads, hospitals, and educational facilities, and the Local Government Investment Pool (LGIP). In addition, the Treasury acts as custodian for \$130 million of securities pledged as collateral by insurance companies authorized to conduct business in Virginia.

As noted in Figures 1 and 2, for the year ended June 30, 1986, investments managed by this Division approached \$2 billion with earnings of \$173.2

Fig. 1

Size of Investment Portfolio (Yearly Average) All Accounts (Millions of Dollars)

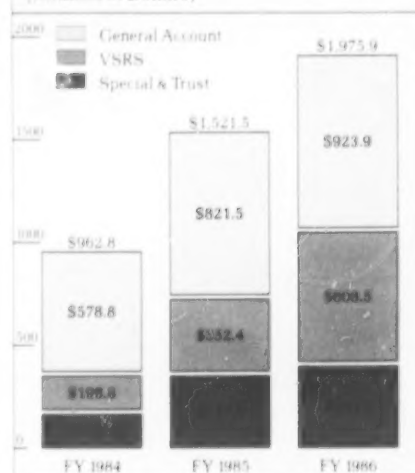


Fig. 2

Income Earned on All Funds (Millions of Dollars)

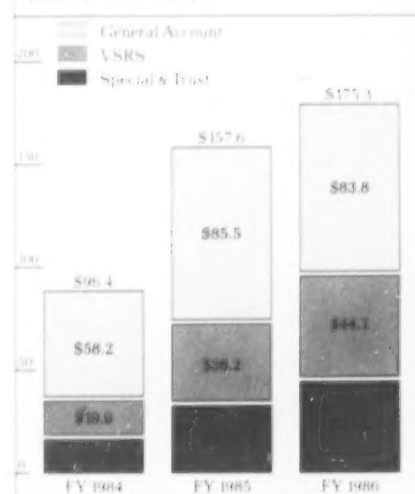


Fig. 3

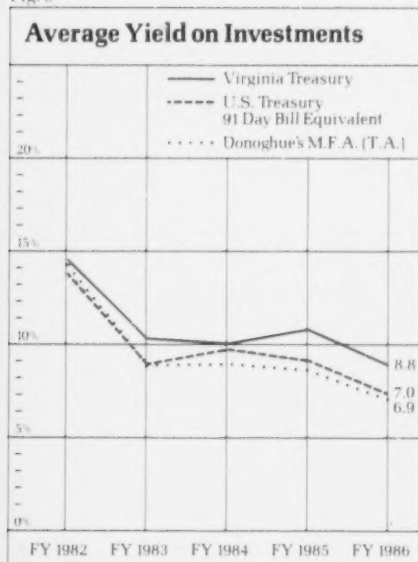
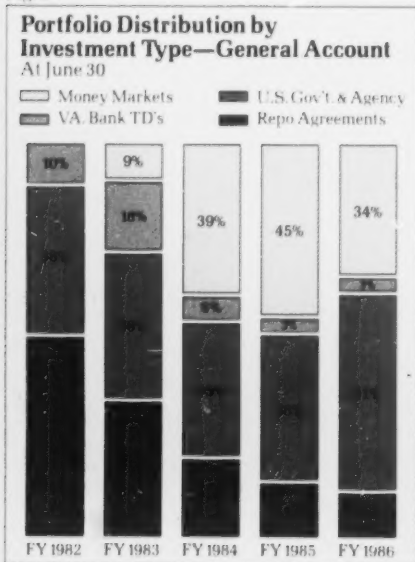


Fig. 4



million, up \$15.6 million over last year. The average yield on investments for the current year was 8.8% which compares favorably to the average 91-day U.S. Treasury Bill yield of 7.0% and to Donoghue's average of taxable money funds which was 6.9% for the year (Figure 3). Maturities for these investments ranged from one day to five years.

Based on current economic conditions, Cash Management's staff continued to increase their investment in U.S. Treasury and Agency securities for the General Account portfolio in order to partially offset the precipitous drop in interest rates and to take advantage of higher yields in the intermediate-term note market. Money market investment balances were reduced to the minimum required for cash flow needs as these rates were very low throughout the year (Figure 4). The 9.0% yield on the General Account, which had an average maturity of approximately one year compares favorably to the one-year U.S. Treasury Bill yield of 7.5%.

The LGIP is managed for the benefit of political subdivisions and State agencies and authorities. This fund has grown over seven fold from \$10 million in 1982 to its current level of \$73.3 million.

Cash Management's bank relations officer manages banking relationships with over one hundred banks statewide to provide State agencies and institutions with high quality banking services at a reasonable cost. Working closely with agencies and institutions, the court system, and local governments, the Division acts to develop and improve cash management practices and the timely processing of daily receipts from over 1,200 depositing locations. The confidence and trust established with both the banking community and other State agencies has made it possible to carry out many initiatives such as the development of a more efficient banking network and establishment of more effective cash management policies and procedures. In addition, this Division continues to develop and improve forecasting techniques to anticipate cash flows and interest income for the investment and disbursement of State funds.



Robert S. Young, Margaret H. Layne, J. Braxton Powell



Jennifer Lantrip, George E. Calvert, Jr.

Debt Management

The Commonwealth of Virginia enjoys excellent bond ratings few states now have. This is due to the State's conservative fiscal policy of funding State programs. As of the end of the fiscal year, total debt backed by the full faith and credit of the Commonwealth amounted to \$353.8 million of which \$274.9 million is revenue supported. In addition to the general obligation debt, long-term building leases amounted to \$106.3 million for a total General Fund supported debt of \$460.1 million. Agency and authority debt increased from \$3.2 billion in fiscal year 1985 to \$3.7 billion in fiscal year 1986 (Figure 5).

During fiscal 1986, the Treasury continued to work on a variety of State debt issues, special purpose authority financings, and local government bond issues. Interest rates on municipal bonds, as measured by the Bond Buyer Index (Figure 6) ranged from a high of 8.33% to a low of 6.88% during the fiscal year, the lowest since 1980. This decline in interest rates which began in mid 1985, triggered a large volume of advance refunding activity nationwide for bonds issued in the 1981-1984 period. Though the Commonwealth has little direct debt eligible for refunding, the Debt Management Division will be reviewing agency and authority obligations during the coming year for refunding potential generating debt service savings.

The Division completed the sale of three series of Virginia Public School Authority Bonds rated "double A" during the year totalling \$41.8 million, the largest volume since 1971. These bond sales provided funds to ten localities to construct new schools. The last two issues were complicated by tax legislation in Congress that is now certain to have a major impact on the timing and structure of all future tax exempt bond sales.

In addition, the Division issued \$41.1 million of Section 9(c) bonds for colleges and universities during May. These bonds were rated "triple A" by the major bond rating services and included a partial refunding of variable rate debt that was issued during 1984.

Fig. 5

Total Debt (Millions of Dollars)		
	FY 1985	FY 1986
Full Faith and Credit Debt:		
General Obligation Debt	\$ 85.5	\$ 78.9
Revenue Supported Debt	241.7	274.9
Total General Obligation Debt	327.2	353.8
Long-Term Building Leases	108.8	106.3
Total General Fund Supported Debt	\$ 436.0	\$ 460.1
Non-Full Faith and Credit Debt:		
Agency Debt	\$ 335.1	\$ 296.1
Authority Debt	2,828.1	3,434.5
Total Non-Full Faith and Credit Debt	\$ 3,163.2	\$ 3,730.6

Fig. 6

Range for the Bond Buyer 20-Bond Index

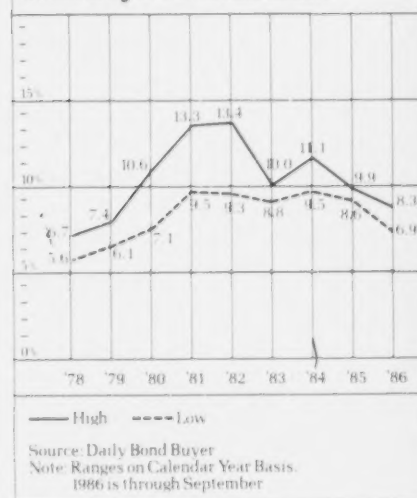


Fig. 7

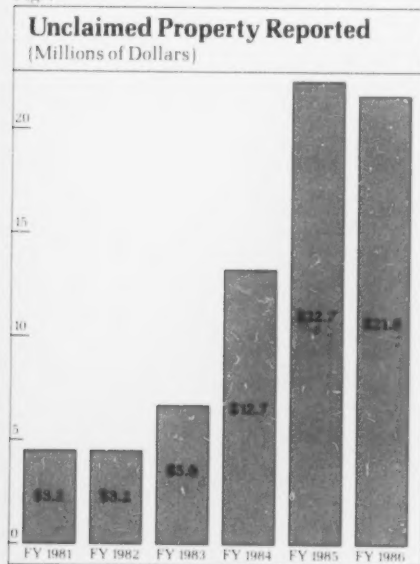
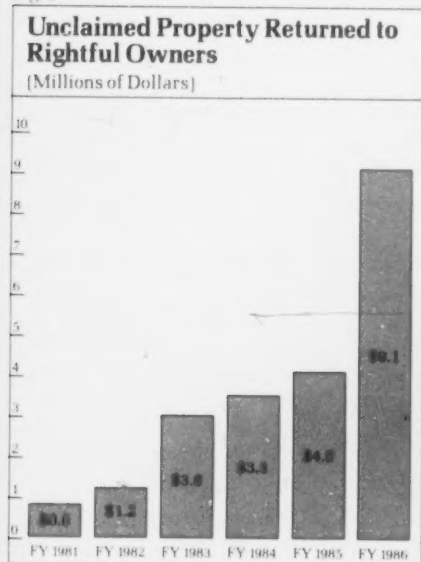


Fig. 8



As the fiscal year concluded, the Division was completing arrangements for the sale of Section 9(c) bonds for the extension of the Powhite Parkway toll road in the Richmond area and an innovative program through the Virginia College Building Authority to finance research and instructional equipment for the Commonwealth's public colleges and universities.

A major initiative of the Department of the Treasury is to begin creating comprehensive debt management policies for the Commonwealth. Substantial ground work for this initiative was completed earlier in the year when the Division of Debt Management, in conjunction with the Department of Planning and Budget, compiled a comprehensive review of debt in the Commonwealth and its agencies and political subdivisions. The report has provided the foundation for additional analysis by the Treasury of debt financing policies and procedures.

Other major issues in the upcoming year include reviewing additional advance refundings, improving lease purchase financing methodology, and developing a new revenue bond program for transportation projects. Treasury will become increasingly involved in monitoring the use of bonded debt by political subdivisions, including independent authorities, with the objective of further improving interest costs relative to other municipal bonds of the same rating categories across the country.

Abandoned Property

Virginia's Unclaimed Property Act, enacted in 1960, is one of the most important consumer protection laws of the Commonwealth. The primary purpose of the Act is to return property to rightful owners. It requires holders of unclaimed property to report to the Commonwealth all property for owners who can not be located at the conclusion of the statutory dormancy period. The Act establishes the Commonwealth as custodian of the property until the rightful owner or heir can be located. The property is placed in the Literary Fund and held in perpetuity for the owner. While money is being held in custody, it may be used to provide low interest rate



Vicki L. Driskill, Evelyn R. Whitley

loans to localities for financing public school construction.

In addition to public education programs to encourage voluntary reporting required by the Act, the Division performs audits of holders' records to assure compliance. In 1986, of the \$21.6 million reported, \$5.7 million resulted from 52 audits (Figures 7 and 9). At year end, \$3.6 million had been remitted and the accompanying receivables were \$2.1 million. In 1985, the audit results of two major entities, which was a consolidation of numerous audits of their divisions located in various other states, were included for the first time. The field work was performed during fiscal years 1983 and 1984. Due to the size and complexity of these audits, the findings were protested; however, it is anticipated that the disputes will be resolved in fiscal 1987.

The Division has implemented an innovative abandoned property investigation program used as a model for the nation. In addition to the publication of owners' names, this program assists in locating owners. For example, during 1986, SEARCH (State's Efforts Are Returning Cash Held) was introduced in shopping malls around the State. The program, designed to assist citizens in determining on the spot if property has been reported to the Division in their name, has proven to be extremely successful. The amount of claims paid by the Division this fiscal year increased to \$2.2 million compared to \$1.0 million in fiscal 1985. In addition to the claims paid by the Division, \$6.9 million was returned to owners by holders as a result of the Division's newspaper publications, for a total return to owners of \$9.1 million compared to the total returned in 1985 of \$4.0 million (Figures 8 and 10).

The following statistics demonstrate the significant growth in the Abandoned Property Program operations:

	1986	1985
Total Owners' Names Advertised	46,250	35,200
Total Telephone Inquiries Following Advertisements	9,454	4,326
Total Written Inquiries Following Advertisements	3,835	1,426

The Division also has responsibility for the administration of escheat laws. In 1986 there were 928 parcels of abandoned land auctioned for a total of \$706,535 compared to 506 parcels in 1985 totaling \$423,290. Escheat laws provide for the auctioning of abandoned land after a statutory process. The proceeds first go to pay delinquent taxes on the land to localities. This benefits localities by returning formally abandoned land to the local tax rolls. The balance of the auction proceeds, less the expenses of the sale are deposited in the Literary Fund.

Treasury Operations

The Treasury Operations Division is responsible for the fiscal operations of the Department; accounting for trust funds over which the State Treasurer has custodial responsibilities; processing and disbursing checks; data processing; bank reconciliation; and administration of the Virginia Security for Public Deposits Act.

During 1986, Treasury Operations was completely reorganized to meet new standards for internal controls and operational efficiency. All internal functions were combined under one Division and new direction was given to the implementation of policies and procedures.

In addition, the Division completed major initiatives in systems auto-

Fig. 9

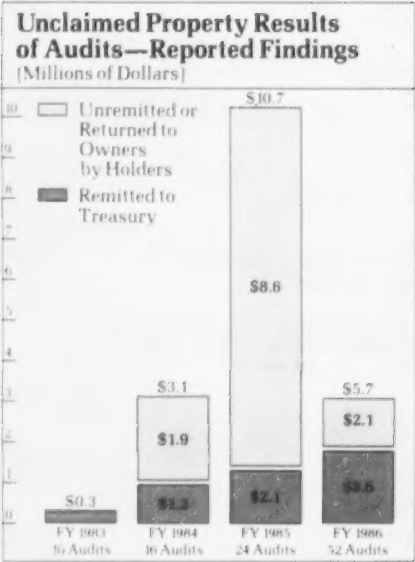


Fig. 10

Unclaimed Property—Application of Reported Amounts
(Millions of Dollars)

	FY 1985		FY 1986	
	\$	%	\$	%
Amount Reported	\$22.7	100%	\$21.6	100%
Less:				
Amount Returned by Holders	3.0	13	6.9	32
Amount Returned by Department	1.0	4	2.2	10
Department Operating Expenses	.9	4	1.2	6
Unremitted or Disputed Amounts	9.8	44	1.7	8
Net Amount to Literary Fund	\$ 8.0	35%	\$ 9.6	44%

Fig. 11

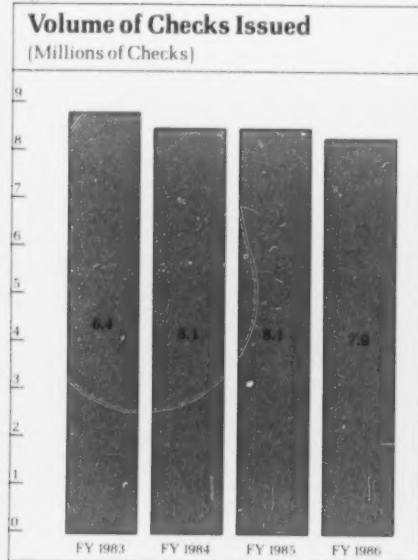
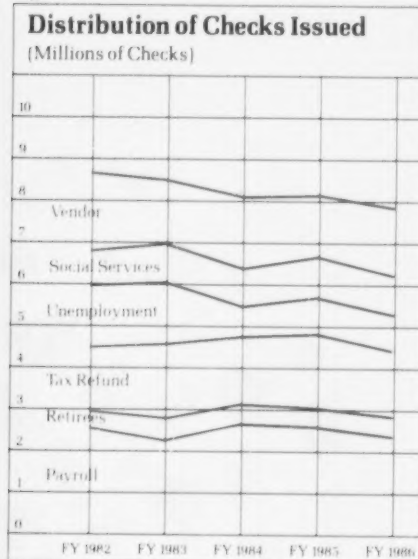


Fig. 12



Linda C. Mason, Nancy P. Alley

mation. Of particular significance was the implementation of a computer based microfilm index for the storage and retrieval of 8 million checks disbursed annually. The microfilm system, coupled with the implementation of a computerized bank account reconciliation system, increased the efficiency of the Department of the Treasury by providing prompt responses to citizen inquiries at a significant savings to the State. The volume of checks processed and the distribution among various programs is illustrated in Figures 11 and 12.

The coming year promises major innovations as the Division continues to automate existing manual processes and eliminate additional paper based systems. Use of the automated clearing house disbursement system (ACH) has been expanded for payments to localities, direct deposit of payroll and direct deposit to retirees. This year 245 thousand ACH payments were made compared to 167 thousand the prior year (Figure 13). The continual streamlining of functions and incorporation of quality control mechanisms will enhance the efficient delivery of services to the citizens of the Commonwealth.

General Administration and Management

The current year brought several important changes to the Department, emphasizing tightened management controls, performance improvements, and enhanced policy development. The agency was reorganized and several areas of responsibility were reassigned. At the same time several new positions were created to accomplish goals and objectives.

A Special Assistant to the Treasurer was hired whose primary responsibilities are to encourage the development of new financing ideas with the investment banking community; provide a forum through which the Department interacts with and is responsive to other State agencies and institutions as well as local governments; and create and implement a Management Reporting System to better monitor and evaluate progress of all divisions toward the longer term goals and objectives of the Agency.



Mary K. Ittermann, Herb Hill, Pankaj Doshi, Pat Watt

An Employee Relations Director was hired and has brought substantial improvements to the Agency's personnel management function. This has allowed for the effective implementation of State employee relations policies and procedures, the streamlining of personnel records management, and a new focus on ways to improve employee training and development. An Agency newsletter has been established to share information of interest with all employees about events in the Treasury and staff achievements.

An Internal Auditor has joined the Agency to assist in improving internal controls and accountability, and to monitor operations in selected activities where management improvements are in progress.

A Director of Financial Policy Analysis position was created to provide the resources necessary to coordinate effective policy development, manage research and financial analysis, and oversee the production of indexed policy and procedure documents for improving controls and training.

Conclusion

This Annual Report reflects my commitment to you, to the citizens of the Commonwealth, and to the financial community to establish innovative, proactive policies which will ensure our ability to meet the challenges of the future. I believe the environment I have established in the Department of the Treasury will allow the Agency to move forward in the changing financial future by combining a continued commitment to sound fiscal responsibility with innovative and creative management approaches. Building a strong, effective Treasury is one of the cornerstones to building a "New Dominion" and I am committed to that effort.

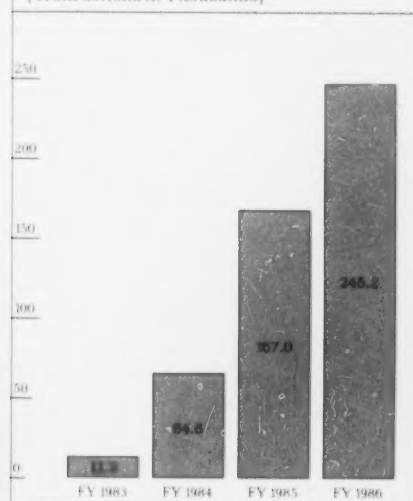
Respectfully submitted,

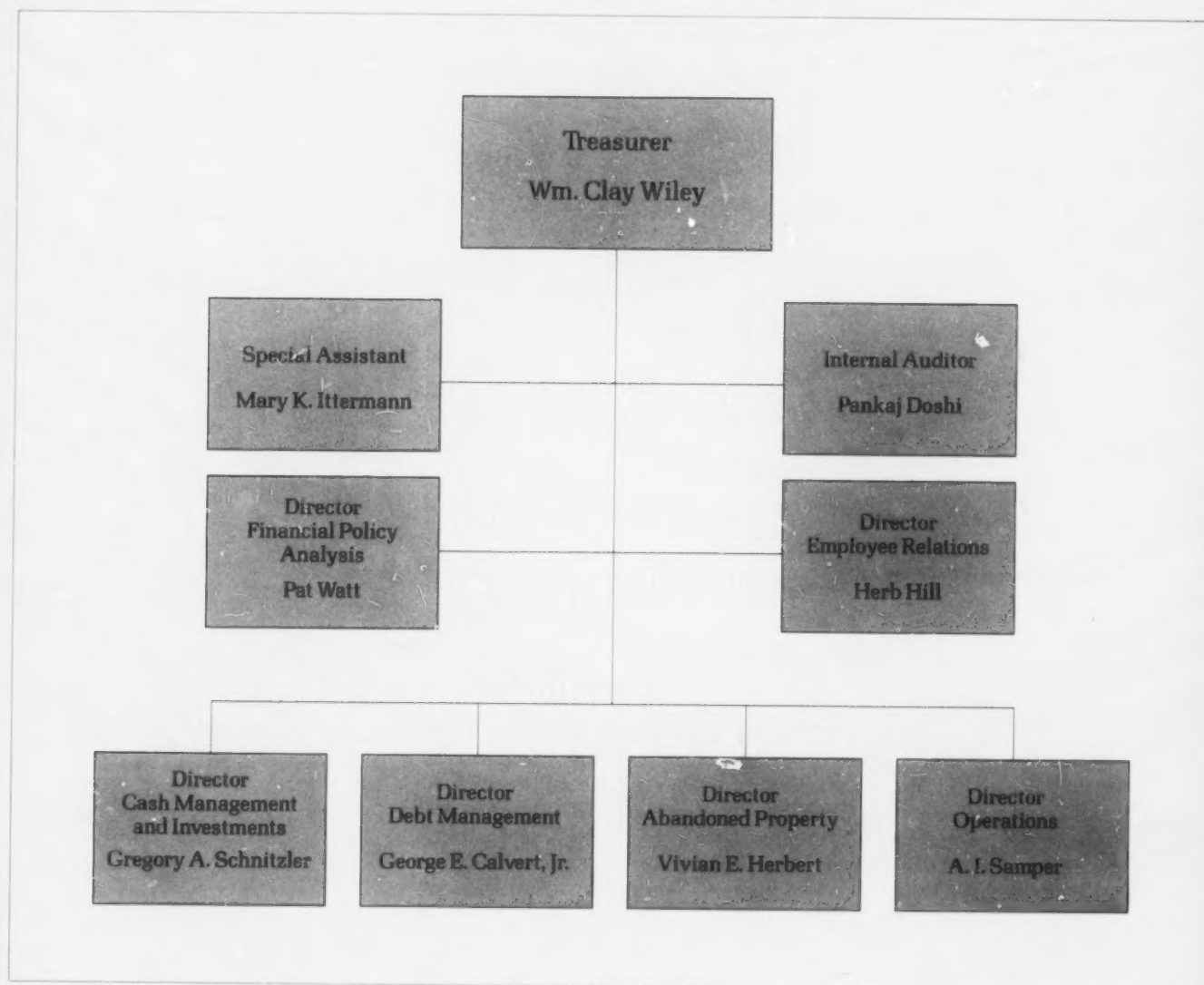
Wm Clay Wiley

Wm. Clay Wiley
Treasurer of the Commonwealth of Virginia

Fig. 13

Volume of ACH Transactions (Transactions in Thousands)





COMBINED BALANCE SHEET
ALL FUND TYPES MANAGED BY TREASURY
CASH BASIS—(UNAUDITED)

June 30, 1986

(Dollars in Thousands)

	Debt Service	Capital Project	Special Revenue	Higher Education	Other Agency	Expendable Trust	Total June 30, 1986
Assets							
Cash and Investments	\$ 7,974	\$ 37,403	\$ 14,893	\$239,599	\$ 99,070	\$ 76,634	\$475,573
Investments on Literary Loans	—	—	—	—	—	35,791	35,791
Cash with Paying Agents	8,485	—	—	12,784	—	—	21,269
Investments on Local School Bonds	—	—	—	—	—	221,410	221,410
Loans Receivable	—	—	—	—	—	221,914	221,914
Transfers Due from Other Funds	—	—	—	364	210	—	574
Total Assets	<u>\$ 16,459</u>	<u>\$ 37,403</u>	<u>\$ 14,893</u>	<u>\$252,747</u>	<u>\$ 99,280</u>	<u>\$555,749</u>	<u>\$976,531</u>
Liabilities and Fund Equity							
Liabilities:							
Transfers Due to Other Funds	\$ 68	\$ —	\$ —	\$ 506	\$ —	\$ —	\$ 574
Matured Bonds Payable	1,095	—	—	5,866	—	—	6,961
Matured Interest Payable	7,394	—	—	6,918	—	—	14,312
Due to Localities	—	—	—	—	73,606	—	73,606
Due to Providers	—	—	—	—	6,473	—	6,473
Due to Treasurer	—	—	—	—	77	—	77
Due to Center for Innovative Technology	—	—	—	—	19,124	—	19,124
Total Liabilities	<u>8,557</u>	<u>—</u>	<u>—</u>	<u>13,290</u>	<u>99,280</u>	<u>—</u>	<u>121,127</u>
Fund Equity:							
Reserved for Debt Retirement	7,740	—	—	63,146	—	221,410	292,296
Reserved for Capital Outlay	—	37,403	3,262	161,092	—	18,195	219,952
Reserved for Public School Authority	—	—	—	—	—	223,240	223,240
Reserved for Literary Fund	—	—	—	—	—	79,195	79,195
Unreserved/Undesignated	162	—	11,631	15,219	—	13,709	40,721
Total Fund Equity	<u>7,902</u>	<u>37,403</u>	<u>14,893</u>	<u>239,457</u>	<u>—</u>	<u>555,749</u>	<u>855,404</u>
Total Liabilities and Fund Equity	<u>\$ 16,459</u>	<u>\$ 37,403</u>	<u>\$ 14,893</u>	<u>\$252,747</u>	<u>\$ 99,280</u>	<u>\$555,749</u>	<u>\$976,531</u>

See notes to the financial statements.

COMBINED BALANCE SHEET

DEBT SERVICE FUNDS

CASH BASIS—(UNAUDITED)

June 30, 1986

(Dollars in Thousands)

	Revenue Bonds			General Obligation Bonds			
	Virginia Public School Authority	Virginia Port Authority		Dulles Toll Road 1982	Public Facilities Bonds	General Sinking Fund	Total June 30, 1986
		1978	1980				
Assets							
Cash and Investments	\$ 5,040	\$ 1,214	\$ 1,395	\$ 159	\$ —	\$ 166	\$ 7,974
Cash with Paying Agent	3,456	277	—	1,751	3,001	—	8,485
Total Assets	<u>\$ 8,496</u>	<u>\$ 1,491</u>	<u>\$ 1,395</u>	<u>\$ 1,910</u>	<u>\$ 3,001</u>	<u>\$ 166</u>	<u>\$16,459</u>
Liabilities and Fund Equity							
Liabilities:							
Transfers Due to Other Funds	\$ 68	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 68
Matured Bonds Payable	845	250	—	—	—	—	1,095
Matured Interest Payable	2,611	27	—	1,751	3,001	4	7,394
Total Liabilities	<u>3,524</u>	<u>277</u>	<u>—</u>	<u>1,751</u>	<u>3,001</u>	<u>4</u>	<u>8,557</u>
Fund Equity:							
Reserved for Debt Retirement	4,972	1,214	1,395	159	—	—	7,740
Unreserved/Undesigned	—	—	—	—	—	162	162
Total Fund Equity	<u>4,972</u>	<u>1,214</u>	<u>1,395</u>	<u>159</u>	<u>—</u>	<u>162</u>	<u>7,902</u>
Total Liabilities and Fund Equity	<u>\$ 8,496</u>	<u>\$ 1,491</u>	<u>\$ 1,395</u>	<u>\$ 1,910</u>	<u>\$ 3,001</u>	<u>\$ 166</u>	<u>\$16,459</u>

See notes to the financial statements.

COMBINED BALANCE SHEET
CAPITAL PROJECTS FUNDS
CASH BASIS—(UNAUDITED)

June 30, 1986

(Dollars in Thousands)

	Public Facilities Bonds 1978				Richmond-Petersburg Turnpike		Dulles Toll Road Construction Fund 1982	Total June 30, 1986
	Higher Education	Correctional Facility	Mental Health Facility	Parks and Recreation	Toll Revenue Construction Fund I	Toll Revenue Construction Fund II		
Assets								
Cash and								
Investments	\$ 1,082	\$ 56	\$ 4,071	\$ 1,862	\$ 6,303	\$23,522	\$ 507	\$37,403
Total Assets	\$ 1,082	\$ 56	\$ 4,071	\$ 1,862	\$ 6,303	\$23,522	\$ 507	\$37,403
Liabilities and Fund Equity								
Liabilities:								
Total								
Liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Fund Equity:								
Reserved for								
Capital								
Outlay, . . .	1,082	56	4,071	1,862	6,303	23,522	507	37,403
Total Fund								
Equity, . . .	1,082	56	4,071	1,862	6,303	23,522	507	37,403
Total								
Liabilities								
and Fund								
Equity, . . .	\$ 1,082	\$ 56	\$ 4,071	\$ 1,862	\$ 6,303	\$23,522	\$ 507	\$37,403

See notes to the financial statements.

COMBINED BALANCE SHEET
SPECIAL REVENUE FUNDS
CASH BASIS—(UNAUDITED)

June 30, 1986

(Dollars in Thousands)

	Richmond-Petersburg Turnpike		
	Revenue Fund	Reserve Maintenance Fund	Total June 30, 1986
Assets			
Cash and Investments	\$11,631	\$ 3,262	\$14,893
Total Assets	\$11,631	\$ 3,262	\$14,893
Liabilities and Fund Equity			
Liabilities:			
Total Liabilities	\$ —	\$ —	\$ —
Fund Equity:			
Reserved for Capital Outlay	—	3,262	3,262
Unreserved/Undesignated	11,631	—	11,631
Total Fund Equity	11,631	3,262	14,893
Total Liabilities and Fund Equity	\$11,631	\$ 3,262	\$14,893

See notes to the financial statements.

COMBINED BALANCE SHEET
HIGHER EDUCATION FUNDS
CASH BASIS—(UNAUDITED)

June 30, 1986

(Dollars in Thousands)

	Medical College of Virginia 1977 & 1983	General Obligation Bonds 9(c)	Higher Education	Virginia Polytechnic Institute	University of Virginia Hospital	Total June 30, 1986
Assets						
Cash and Investments	\$ 29,820	\$ 8,648	\$ 8,316	\$ 45,794	\$147,021	\$239,599
Cash with Paying Agent	5,703	6,946	112	23	—	12,784
Transfers Due From Other Funds	—	364	—	—	—	364
Total Assets	<u>\$ 35,523</u>	<u>\$ 15,958</u>	<u>\$ 8,428</u>	<u>\$ 45,817</u>	<u>\$147,021</u>	<u>\$252,747</u>
Liabilities and Fund Equity						
Liabilities:						
Transfers Due to Other Funds	\$ —	\$ 506	\$ —	\$ —	\$ —	\$ 506
Matured Bonds Payable	1,845	3,910	101	10	—	5,866
Matured Interest Payable	3,858	3,036	11	13	—	6,918
Total Liabilities	<u>5,703</u>	<u>7,452</u>	<u>112</u>	<u>23</u>	<u>—</u>	<u>13,290</u>
Fund Equity:						
Reserved for Debt Retirement	10,913	8,506	8,316	2,325	33,086	63,146
Reserved for Capital Outlay	18,907	—	—	28,250	113,935	161,092
Unreserved/Undesignated	—	—	—	15,219	—	15,219
Total Fund Equity	<u>29,820</u>	<u>8,506</u>	<u>8,316</u>	<u>45,794</u>	<u>147,021</u>	<u>239,457</u>
Total Liabilities and Fund Equity	<u>\$ 35,523</u>	<u>\$ 15,958</u>	<u>\$ 8,428</u>	<u>\$ 45,817</u>	<u>\$147,021</u>	<u>\$252,747</u>

See notes to the financial statements.

COMBINED BALANCE SHEET

OTHER AGENCY FUNDS

CASH BASIS—(UNAUDITED)

June 30, 1986

(Dollars in Thousands)

	Local Government Investment Pool	Medicaid	Center Innovative Technology	Total June 30, 1986
Assets				
Cash and Investments	\$73,473	\$ 6,473	\$19,124	\$99,070
Transfers Due From Other Funds	210	—	—	210
Total Assets	<u>\$73,683</u>	<u>\$ 6,473</u>	<u>\$19,124</u>	<u>\$99,280</u>
Liabilities and Fund Equity				
Liabilities:				
Due to Localities	\$73,606	\$ —	\$ —	\$73,606
Due to Providers	—	6,473	—	6,473
Due to Treasurer	77	—	—	77
Due to Center for Innovative Technology	—	—	19,124	19,124
Total Liabilities	<u>73,683</u>	<u>6,473</u>	<u>19,124</u>	<u>99,280</u>
Fund Equity:				
Total Fund Equity	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities and Fund Equity	<u>\$73,683</u>	<u>\$ 6,473</u>	<u>\$19,124</u>	<u>\$99,280</u>

See notes to the financial statements.

COMBINED BALANCE SHEET
EXPENDABLE TRUST FUNDS
CASH BASIS—(UNAUDITED)

June 30, 1986

(Dollars in Thousands)

	Virginia Public School Authority						
	Special Trust Fund	Literary Fund	Shenandoah River Fund	Purchase Fund	Income Fund	Reserve Fund	General Fund
Assets							
Cash and Investments	\$ 402	\$ 33,343	\$ 562	\$ 1,626	\$ 88	\$ 11,387	\$ 1,256
Investments on Literary Loans ..	—	35,791	—	—	—	—	—
Investments on Local							
School Bonds	—	—	—	221,410	—	—	—
Loans Receivable	—	—	—	—	—	221,914	—
Total Assets	<u>\$ 402</u>	<u>\$ 69,134</u>	<u>\$ 562</u>	<u>\$223,036</u>	<u>\$ 88</u>	<u>\$233,301</u>	<u>\$ 1,256</u>
Liabilities and Fund Equity							
Liabilities:							
Total Liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Fund Equity:							
Reserved for Debt Retirement ..	—	—	—	221,410	—	—	—
Reserved for Capital Outlay ..	—	—	—	—	—	—	—
Reserved for Public							
School Authority	—	—	—	—	—	223,240	—
Reserved for Literary Fund ...	—	69,134	—	—	—	10,061	—
Unreserved/Undesignated ...	402	—	562	1,626	88	—	1,256
Total Fund Equity	<u>402</u>	<u>69,134</u>	<u>562</u>	<u>223,036</u>	<u>88</u>	<u>233,301</u>	<u>1,256</u>
Total Liabilities and							
Fund Equity	<u>\$ 402</u>	<u>\$ 69,134</u>	<u>\$ 562</u>	<u>\$223,036</u>	<u>\$ 88</u>	<u>\$233,301</u>	<u>\$ 1,256</u>

See notes to the financial statements.

Elizabeth River Tunnel		Dulles Toll Road		Total June 30, 1986
Revenue Fund	Reserve Maintenance Fund	Revenue Fund	Reserve Maintenance Fund	
\$ 3,472	\$ 14,523	\$ 9,775	\$ 200	\$ 76,634
—	—	—	—	35,791
—	—	—	—	221,410
—	—	—	—	221,914
<u>\$ 3,472</u>	<u>\$ 14,523</u>	<u>\$ 9,775</u>	<u>\$ 200</u>	<u>\$555,749</u>
\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	221,410
3,472	14,523	—	200	18,195
—	—	—	—	223,240
—	—	—	—	79,195
—	—	9,775	—	13,709
<u>3,472</u>	<u>14,523</u>	<u>9,775</u>	<u>200</u>	<u>555,749</u>
<u>\$ 3,472</u>	<u>\$ 14,523</u>	<u>\$ 9,775</u>	<u>\$ 200</u>	<u>\$555,749</u>

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES—ALL FUND TYPES
CASH BASIS—(UNAUDITED)**

For the fiscal year ended June 30, 1986
(Dollars in Thousands)

	Debt Service	Capital Projects	Special Revenue	Higher Education	Expendable Trust	June 30, 1986
Revenues:						
Interest	\$ 343	\$ 4,211	\$ 710	\$ 24,080	\$ 27,642	\$ 56,986
Escheats	—	—	—	—	450	450
Virginia Port Authority	2,371	194	—	—	—	2,565
Toll Revenue	—	—	22,583	—	16,423	39,006
Other Revenue	—	—	138	2,480	33	2,651
Fines and Forfeitures	—	—	—	—	22,587	22,587
Unclaimed Property Act	—	—	—	—	9,600	9,600
Transfer From General Account	—	—	—	50,113	—	50,113
Matured Local School Bonds	—	—	—	—	17,250	17,250
Total Revenues	2,714	4,405	23,431	76,673	93,985	201,208
Expenditures:						
Debt Service:						
Principal Retirement	25,470	—	—	11,668	—	37,138
Interest and Charges	23,753	—	—	32,694	—	56,447
Debt Defeasance	30,150	—	—	39,566	—	69,716
Debt Prepayment	—	—	—	26,900	—	26,900
Transfer to Department of Education	—	—	—	—	22,000	22,000
Special and Trust	—	—	—	—	87	87
Circuit Court Clerk	—	—	—	—	767	767
Discount on Bonds	—	—	—	—	264	264
Refund to Colleges	—	—	—	796	—	796
Transfer to General Account	—	9,487	13,821	38,224	6,994	68,526
Virginia Port Authority	—	198	—	—	—	198
Other	—	4	—	—	196	200
Total Expenditures	79,373	9,689	13,821	149,848	30,308	283,039
Revenue Over (Under) Expenditures	(76,659)	(5,284)	9,610	(73,175)	63,677	(81,831)
Other Financing Sources (Uses):						
Operating Transfers In	49,868	508	7,813	75,868	50,809	184,866
Operating Transfers Out	(508)	(10,415)	(7,813)	(75,868)	(90,262)	(184,866)
Proceeds From Sale of Bonds	—	—	—	91,236	24,539	115,775
Total Other Financing Sources (Uses)	49,360	(9,907)	—	91,236	(14,914)	115,775
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(27,299)	(15,191)	9,610	18,061	48,763	33,944
Fund Balance, July 1, 1985	35,201	52,594	5,283	221,396	506,986	821,460
Fund Balance, June 30, 1986	\$ 7,902	\$ 37,403	\$ 14,893	\$239,457	\$555,749	\$855,404

See notes to the financial statements.

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**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES—DEBT SERVICE FUNDS
CASH BASIS—(UNAUDITED)**

For the fiscal year ended June 30, 1986
(Dollars in Thousands)

	Revenue Bonds				
	Virginia Public School Authority	Virginia Port Authority		Dulles Toll Road 1982	Richmond Petersburg Turnpike 1973
		1978	1980		
Revenues:					
Interest	\$ 11	\$ 131	\$ 61	\$ 110	\$ 15
Virginia Port Authority	—	1,213	1,158	—	—
Total Revenues	11	1,344	1,219	110	15
Expenditures:					
Debt Service:					
Principal Retirement	17,250	1,000	645	—	—
Interest and Charges	13,729	383	618	5,183	—
Debt Defeasance	—	—	—	—	30,150
Total Expenditures	30,979	1,383	1,263	5,183	30,150
Revenue Over (Under) Expenditures	(30,968)	(39)	(44)	(5,073)	(30,135)
Other Financing Sources (Uses):					
Operating Transfers In	35,940	—	—	3,513	—
Operating Transfers Out	—	—	—	—	(508)
Total Other Financing Sources (Uses)	35,940	—	—	3,513	(508)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,972	(39)	(44)	(1,560)	(30,643)
Fund Balance, July 1, 1985	—	1,253	1,439	1,719	30,643
Fund Balance, June 30, 1986	\$ 4,972	\$ 1,214	\$ 1,395	\$ 159	\$ —

See notes to the financial statements.

General Obligation Bonds

Higher Education 1969	General Sinking Fund	Public Facilities Bonds	Total June 30, 1986
\$ —	\$ 15	\$ —	\$ 343
—	—	—	2,371
—	15	—	2,714
—	—	6,575	25,470
—	—	3,840	23,753
—	—	—	30,150
—	—	10,415	79,373
—	15	(10,415)	(76,659)
—	—	10,415	49,868
—	—	—	(508)
—	—	10,415	49,360
—	15	—	(27,299)
—	147	—	35,201
\$ —	\$ 162	\$ —	\$ 7,902

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES—CAPITAL PROJECTS FUNDS
CASH BASIS—(UNAUDITED)**

For the fiscal year ended June 30, 1986
(Dollars in Thousands)

	Public Facilities Bonds 1978				Virginia Port Authority	
	Higher Education	Correctional Facility	Mental Health Facility	Parks And Recreation	Toll Revenue Construction Fund	Special Revenue Fund
Revenues:						
Interest	\$ 127	\$ 543	\$ 369	\$ 219	\$ —	\$ —
Virginia Port Authority	—	—	—	—	—	194
Total Revenues	127	543	369	219	—	194
Expenditures:						
Transfer to General Account	76	134	—	1,714	—	—
Virginia Port Authority	—	—	—	—	4	194
Other	—	—	4	—	—	—
Total Expenditures	76	134	4	1,714	4	194
Revenue Over (Under) Expenditures	51	409	365	(1,495)	(4)	—
Other Financing Sources (Uses):						
Operating Transfers In	—	—	—	—	—	—
Operating Transfers Out	(161)	(9,534)	(720)	—	—	—
Total Other Financing Sources (Uses)	(161)	(9,534)	(720)	—	—	—
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(110)	(9,125)	(355)	(1,495)	(4)	—
Fund Balance, July 1, 1985	1,192	9,181	4,426	3,357	4	—
Fund Balance, June 30, 1986	\$ 1,082	\$ 56	\$ 4,071	\$ 1,862	\$ —	\$ —

See notes to the financial statements.

Richmond-Petersburg
Turnpike

Toll Revenue Construction Fund I	Toll Revenue Construction Fund II	Dulles Toll Road Construction Fund 1982	Total June 30, 1986
\$ 577	\$ 2,154	\$ 222	\$ 4,211
—	—	—	194
577	2,154	222	4,405
2,940	—	4,623	9,487
—	—	—	198
—	—	—	4
2,940	—	4,623	9,689
(2,363)	2,154	(4,401)	(5,284)
—	508	—	508
—	—	—	(10,415)
—	508	—	(9,907)
(2,363)	2,662	(4,401)	(15,191)
8,666	20,860	4,908	52,594
\$ 6,303	\$23,522	\$ 507	\$37,403

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES—SPECIAL REVENUE FUNDS
CASH BASIS—(UNAUDITED)**

For the fiscal year ended June 30, 1986
(Dollars in Thousands)

	Richmond-Petersburg Turnpike		
	Revenue Fund	Reserve Maintenance Fund	Total June 30, 1986
Revenues:			
Interest	\$ 710	\$ —	\$ 710
Toll Revenue	22,583	—	22,583
Other Revenue	138	—	138
Total Revenues	23,431	—	23,431
Expenditures:			
Transfer to General Account	9,270	4,551	13,821
Total Expenditures	9,270	4,551	13,821
Revenue Over (Under) Expenditures	14,161	(4,551)	9,610
Other Financing Sources (Uses):			
Operating Transfers In	—	7,813	7,813
Operating Transfers Out	(7,813)	—	(7,813)
Total Other Financing Sources (Uses)	(7,813)	7,813	—
Revenues and Other Sources Over (Under) Expenditures and Other Uses	6,348	3,262	9,610
Fund Balance, July, 1, 1985	5,283	—	5,283
Fund Balance, June 30, 1986	\$11,631	\$ 3,262	\$14,893

See notes to the financial statements.

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES—HIGHER EDUCATION FUNDS
CASH BASIS—(UNAUDITED)

For the fiscal year ended June 30, 1986
(Dollars in Thousands)

	Medical College of Virginia 1977 & 1983	General Obligation Bonds	Higher Education	Virginia Polytechnic Institute	University of Virginia Hospital	Total June 30, 1986
Revenues:						
Interest	\$ 3,629	\$ 473	\$ 956	\$ 3,941	\$ 15,081	\$ 24,080
Other Revenue	—	426	2,054	—	—	2,480
Received From Institutions	10,574	20,450	—	19,089	—	50,113
Total Revenues	14,203	21,349	3,010	23,030	15,081	76,673
Expenditures:						
Debt Service						
Principal Retirement	1,575	6,870	2,123	1,100	—	11,668
Interest and Charges	6,749	14,044	592	1,548	9,761	32,694
Debt Defeasance	—	—	—	—	39,566	39,566
Debt Prepayment	—	2,500	11,300	8,100	5,000	26,900
Refund to Colleges	—	—	796	—	—	796
Transfer to General Account	3,369	12,355	491	17,619	4,390	38,224
Total Expenditures	11,693	35,769	15,302	28,367	58,717	149,848
Revenue Over (Under) Expenditures	2,510	(14,420)	(12,292)	(5,337)	(43,636)	(73,175)
Other Financing Sources (Uses):						
Operating Transfers In	7,432	281	10,685	33,832	23,638	75,868
Operating Transfers Out	(7,432)	(23,135)	(357)	(26,269)	(18,675)	(75,868)
Proceeds From Sale of Bonds	—	40,836	—	13,200	37,200	91,236
Total Other Financing Sources (Uses)	—	17,982	10,328	20,763	42,163	91,236
Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,510	3,562	(1,964)	15,426	(1,473)	18,061
Fund Balance, July 1, 1985	27,310	4,944	10,280	30,368	148,494	221,396
Fund Balance, June 30, 1986	\$ 29,820	\$ 8,506	\$ 8,316	\$ 45,794	\$147,021	\$239,457

See notes to the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES—EXPENDABLE TRUST FUNDS
CASH BASIS—(UNAUDITED)**

For the fiscal year ended June 30, 1986
(Dollars in Thousands)

Virginia Public School Authority

	Special Trust Fund	Literary Fund	Shenandoah River Fund	Purchase Fund	Income Fund	Reserve Fund	General Fund
Revenues:							
Interest	\$ 45	\$ 4,003	\$ 42	\$ —	\$ 13,703	\$ 7,665	\$ —
Escheats	—	450	—	—	—	—	—
Toll Revenue	—	—	—	—	—	—	—
Other Revenue	33	—	—	—	—	—	—
Fines and Forfeitures	—	22,587	—	—	—	—	—
Unclaimed Property Act	—	9,600	—	—	—	—	—
Matured Local School Bonds ...	—	—	—	—	17,250	—	—
Total Revenues	78	36,640	42	—	30,953	7,665	—
Expenditures:							
Transfer to Department of Education	—	22,000	—	—	—	—	—
Special and Trust	87	—	—	—	—	—	—
Circuit Court Clerk	—	767	—	—	—	—	—
Discount on Bonds	—	—	—	264	—	—	—
Transfer to General Account ...	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	196
Total Expenditures	87	22,767	—	264	—	—	196
Revenue Over (Under) Expenditures	(9)	13,873	42	(264)	30,953	7,665	(196)
Other Financing Sources (Uses):							
Operating Transfers In	—	22,881	—	131	—	27,478	119
Operating Transfers Out	—	(27,478)	—	(41)	(36,019)	(22,881)	(131)
Proceeds From Sale of Bonds ...	—	—	—	24,539	—	—	—
Total Other Financing Sources (Uses)	—	(4,597)	—	24,629	(36,019)	4,597	(12)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(9)	9,276	42	24,365	(5,066)	12,262	(208)
Fund Balance, July 1, 1985	411	59,858	520	198,671	5,154	221,039	1,464
Fund Balance, June 30, 1986	\$ 402	\$ 69,134	\$ 562	\$223,036	\$ 88	\$233,301	\$ 1,256

See notes to the financial statements.

Elizabeth River Tunnel		Dulles Toll Road		Total June 30, 1986
Revenue Fund	Reserve Maintenance Fund	Revenue Fund	Reserve Maintenance Fund	
\$ 185	\$ 1,480	\$ 519	\$ —	\$ 27,642
—	—	—	—	450
6,018	—	10,405	—	16,423
—	—	—	—	33
—	—	—	—	22,587
—	—	—	—	9,600
—	—	—	—	17,250
6,203	1,480	10,924	—	93,985
—	—	—	—	22,000
—	—	—	—	87
—	—	—	—	767
—	—	—	—	264
4,205	730	2,059	—	6,994
—	—	—	—	196
4,205	730	2,059	—	30,308
1,998	750	8,865	—	63,677
—	—	—	200	50,809
—	—	(3,712)	—	(90,262)
—	—	—	—	24,539
—	—	(3,712)	200	(14,914)
1,993	750	5,153	200	48,763
1,474	13,773	4,622	—	506,986
\$ 3,472	\$ 14,523	\$ 9,775	\$ 200	\$555,749

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
OTHER AGENCY FUNDS
CASH BASIS—(UNAUDITED)

For the fiscal year ended June 30, 1986
(Dollars in Thousands)

	Balance July 1, 1985	Additions	Deletions	Balance June 30, 1986
Local Government Investment Pool				
Assets:				
Cash and Investments	\$ 29,533	\$201,646	\$157,496	\$ 73,683
Total Assets	\$ 29,533	\$201,646	\$157,496	\$ 73,683
Liabilities:				
Due to Localities	\$ 29,533	\$201,646	\$157,496	\$ 73,683
Total Liabilities	\$ 29,533	\$201,646	\$157,496	\$ 73,683
Medicaid				
Assets:				
Cash and Investments	\$ 25,904	\$588,872	\$608,303	\$ 6,473
Total Assets	\$ 25,904	\$588,872	\$608,303	\$ 6,473
Liabilities:				
Due to Providers	\$ 25,904	\$588,872	\$608,303	\$ 6,473
Total Liabilities	\$ 25,904	\$588,872	\$608,303	\$ 6,473
Center for Innovative Technology				
Assets:				
Cash and Investments	\$ 5,067	\$ 14,057	\$ —	\$ 19,124
Total Assets	\$ 5,067	\$ 14,057	\$ —	\$ 19,124
Liabilities:				
Due to Center for Innovative Technology	\$ 5,067	\$ 14,057	\$ —	\$ 19,124
Total Liabilities	\$ 5,067	\$ 14,057	\$ —	\$ 19,124
Totals—All Agency Funds				
Assets:				
Cash and Investments	\$ 60,504	\$804,575	\$765,799	\$ 99,280
Total Assets	\$ 60,504	\$804,575	\$765,799	\$ 99,280
Liabilities:				
Due to Localities	\$ 29,533	\$201,646	\$157,496	\$ 73,683
Due to Providers	25,904	588,872	608,303	6,473
Due to Center for Innovative Technology	5,067	14,057	—	19,124
Total Liabilities	\$ 60,504	\$804,575	\$765,799	\$ 99,280

See notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1986

1. Financial Statements and Descriptions of Funds:**A. Fund Structure**

The accompanying financial statements are organized into funds, each of which is considered to be a separate accounting entity. The fund classifications include Debt Service Funds, Capital Projects Funds, Special Revenue Funds, Higher Education Funds, Expendable Trust Funds, and Other Agency Funds. The operations of each fund are accounted for in a separate set of self-balancing accounts which consists of assets, liabilities, fund balance, revenues, and expenditures. The various funds are presented separately in the Financial Statements.

(1) Debt Service Funds

Reflects transactions related to resources retained and used for the payment of interest and principal on long-term obligations.

(2) Capital Projects Funds

Reflects transactions related to resources received and used for the acquisition, construction, or improvement of governmental fund capital facilities.

(3) Special Revenue Funds

Reflects transactions related to resources received and used for restricted or specific purposes. These transactions relate to resources used in support of highway maintenance and construction.

(4) Higher Education Funds

Reflects transactions related to resources received and used for the operation of the Commonwealth's institutions of Higher Education and related medical teaching hospitals.

(5) Agency Funds

Reflects amounts held in trust by the Commonwealth for others. Agency funds include Medicaid payments, Local Government Investment Pool, and Center for Innovative Technology.

(6) Expendable Trust Funds

Reflects the transactions, assets, liabilities, and fund equities of trusts whose principal and income may be used for the purposes of the trust.

B. "Total" Columns on Combined Statements

The "Total" columns on the Combined Financial Statements are presented only to facilitate financial analysis. Statistics in these columns do not present consolidated financial position, results of operations, or changes in financial position.

2. Basis of Accounting for Funds

All statements, which are unaudited, have been prepared on a cash basis and, accordingly, do not give effect to receivables, payables, and accrued items. The statements reflect the receipt and disbursements of funds for which the Treasurer acts in a trustee capacity. Investment securities are valued at cost.

3. Long-Term Indebtedness**A. Outstanding General Obligation Indebtedness**

As of July 1, 1986, the Commonwealth had \$78,900,000 outstanding general obligation bonds pursuant to Section 9(b) of Article X of the Constitution and \$274,912,000 general obligation bonds additionally secured by pledges of net revenues of capital projects pursuant to Section 9(c). The outstanding indebtedness as of July 1, 1986, excludes \$47,000,000 Transportation Facilities Bonds, Series 1973, for which payment has been provided by the deposit to an irrevocable escrow fund of U.S. Treasury securities in an amount sufficient to retire those bonds at their maturity.

B. Authorized and Unissued Debt

There currently remains authorized and unissued \$5,632,000 Higher Educational Institutions Bonds authorized in 1983, \$1,506,000 Higher Educational Institutions Bonds authorized in 1984, \$389,000 Higher Educational Institutions Bonds authorized in 1985, \$25,665,000 Higher Educational Institutional Bonds authorized in 1986, and \$13,775,000 Higher Educational Institutions Refunding Bonds authorized in 1986, all pursuant to Article X, Section 9(c).

Under the constitution, limits are applied to the amounts of Section 9(b) and 9(c) debt that may be outstanding. These limits for 1986, along with the unused capacity under the limits, are shown in the Constitutional Debt Limit for General Obligation Debt schedule

C. Debt for State Agencies and Authorities

Debt for State Agencies and Authorities (Section 9(d) debt), not backed by the full faith and credit of the Commonwealth is shown as of fiscal year ended June 30, 1986.

D. Outstanding Debt of Cities, Counties, and Towns

While the Treasury is not directly involved with the debt of the Commonwealth's localities (except for refundings) it is of interest to know the underlying debt position of local government units. The table on Outstanding Debt of Cities, Counties and Towns shows recent trends in those amounts.

4. Reserved Fund Equity

Reserved Fund Equity indicates that portion of Fund Equity which is not available to fund operations or is legally segregated for specific future use. The following schedule lists the amount and purpose of the reservation in each of the appropriate funds:

Schedule of Reserved Fund Balance

June 30, 1986
(Dollars in Thousands)

	Debt Service Funds	Capital Project Funds	Special Revenue Funds	Higher Education Funds	Expendable Trust Funds
Reserved for:					
Debt					
Retirement	\$7,740	\$ —	\$ —	\$ 63,146	\$221,410
Capital					
Outlay ...	—	37,463	3,262	161,092	18,195
Public					
School					
Authority.	—	—	—	—	223,240
Literary					
Fund.....	—	—	—	—	79,195
Total					
Reserved					
Fund					
Equity ...	\$7,740	\$37,403	\$3,262	\$224,238	\$542,040

5. Contingent Liability

Pursuant to the provisions of the Unclaimed Property Act, §55-210.1, et. seq., Code of Virginia (1950), as amended, the Commonwealth receives abandoned funds and property. As custodian of this property the State Treasurer holds it in perpetuity until it is claimed by the rightful owner or heirs. The Treasurer has received \$47.2 million dollars in such funds since 1962 and has returned \$4.5 million to the rightful owners as of June 30, 1986. He therefore faces future potential claims of \$42.7 million. It is not possible to predict when and how much of these funds will be claimed, if at all. The excess funds are routinely transferred to the Literary Fund for use as loans to education related projects. As of June 30, 1986, \$38.5 million has been transferred to the Literary Fund since 1962, as shown below.

Fiscal Year Ended June 30	Total Receipts	Payment of Claims	Operating Expenses	Net Available for Literary Fund
1962.....	\$ 1,789,996	\$ 25,000	\$ 42,084	\$ 1,722,912
1963.....	376,235	25,000	16,275	334,960
1964.....	152,568	24,860	15,116	112,592
1965.....	333,302	5,837	17,229	310,236
1966.....	210,640	10,076	18,615	181,949
1967.....	214,063	8,761	21,823	183,479
1968.....	256,229	17,629	24,157	214,443
1969.....	239,816	11,166	24,639	204,011
1970.....	272,349	11,937	27,224	233,188
1971.....	277,534	7,607	25,910	244,017
1972.....	395,823	12,357	29,844	353,622
1973.....	448,239	11,092	31,973	405,174
1974.....	359,818	12,068	34,977	312,773
1975.....	475,895	14,904	38,652	422,339
1976.....	585,817	21,225	44,301	520,291
1977.....	570,897	33,461	48,124	489,312
1978.....	661,537	23,215	57,100	581,222
1979.....	850,107	49,530	70,095	730,482
1980.....	994,890	31,742	73,073	890,075
1981.....	2,416,872	44,686	133,439	2,238,747
1982.....	2,145,892	67,087	242,376	1,836,429
1983.....	3,332,242	388,833	543,409	2,400,000
1984.....	7,034,141	455,091	579,050	6,000,000
1985.....	9,864,619	993,622	870,997	8,000,000
1986.....	12,984,494	2,217,722	1,166,772	9,600,000
Total	\$47,244,015	\$4,524,508	\$4,197,254	\$38,522,253

6. Other Property Under Treasurer's Custody

Under Unclaimed Property Laws, the Commonwealth receives abandoned tangible personal property and securities. These are not introduced into the accounting system until converted to cash. As of June 30, 1986, there was approximately \$1.3 million in securities, and unappraised contents of 4,934 safe deposit boxes in the Treasurer's custody. The Treasurer is custodian of these items in perpetuity until claimed by the rightful owners or heirs, except that, he can and does periodically convert these items into cash.

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OUTSTANDING GENERAL OBLIGATION DEBT

June 30, 1986

(Dollars in Thousands)

	Amount Issued	Outstanding June 30, 1985	Outstanding June 30, 1986
Section 9(a) Debt:			
Alcoholic Beverage Control Commission Notes	\$ 3,500	\$ 500	\$ —
Section 9(b) Debt:			
Public Facilities Bonds:			
Series 1969	81,000	—	—
Series 1978	125,000	85,475	78,900
Total 9(b) Debt	206,000	85,475	78,900
Section 9(c) Debt:			
Higher Education Institution Bonds:			
Series 1971	23,450	11,600	10,200
Series 1973	20,915	9,815	8,820
Series 1976	19,555	13,205	12,295
Series 1979	15,035	12,410	11,850
Series 1981	4,932	4,497	4,382
Series 1982	12,820	11,715	11,315
Series 1983	68,201	65,000	63,205
Series 1984	31,955	31,285	30,550
Series 1985	24,690	24,690	24,165
Series 1986	41,130	—	41,130
Transportation Facility Bonds:			
Series 1973	103,000	—	—
Series 1982	57,000	57,000	57,000
Total Section 9(c) Debt	422,683	241,217	274,912
Total General Obligation Indebtedness	\$632,183	\$327,192	\$353,812

Note:

The outstanding indebtedness as of July 1, 1986, excludes \$47,000,000 Transportation Facilities Bonds, Series 1973, for which payment has been provided by the deposit to an irrevocable escrow fund of U.S. Treasury securities in an amount sufficient to retire those bonds at their maturity. In addition, this schedule excludes \$369,000 of old and unfunded items which are still carried in the Commonwealth's accounting system.

PRINCIPAL OF OUTSTANDING DEBT, PAST SIX YEARS

June 30, 1981-1986

(Dollars in Thousands)

	1981	1982	1983	1984	1985	1986
Long Term Indebtedness (See Note):						
Section 9(b)	\$129,175	\$116,800	\$104,425	\$ 92,050	\$ 85,475	\$ 78,900
Section 9(c)	117,320	122,917	243,973	270,087	241,217	274,912
Short Term Indebtedness:						
Section 9(a) Debt	2,500	2,000	1,500	1,000	500	—
Long Term Building Leases	59,164	97,436	94,543	111,172	108,802	106,250
Total Debt	<u>\$308,159</u>	<u>\$339,153</u>	<u>\$444,441</u>	<u>\$474,309</u>	<u>\$435,994</u>	<u>\$460,062</u>

Note:

The outstanding long-term indebtedness as of July 1, 1986, excludes \$47,000,000 Transportation Facilities Bonds, Series 1973, for which payment has been provided by the deposit to an irrevocable escrow fund of U.S. Treasury Securities in an amount sufficient to retire those bonds at their maturity. In addition, this schedule excludes \$369,000 of old and unfunded items which are still carried in the Commonwealth's accounting system.

ANNUAL DEBT SERVICE REQUIREMENTS

ALL GENERAL OBLIGATION BONDS

June 30, 1986
(Dollars in Thousands)

Year Ending June 30:	General Fund Supported (1)			Revenue Supported (2)			Total Outstanding		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1987	\$ 6,575	\$ 3,544	\$ 10,119	\$ 10,075	\$ 20,240	\$ 30,315	\$ 16,650	\$ 23,784	\$ 40,434
1988	6,575	3,248	9,823	10,945	19,368	30,313	17,520	22,616	40,136
1989	6,575	2,952	9,527	11,820	18,624	30,444	18,395	21,576	39,971
1990	6,575	2,653	9,228	12,440	17,823	30,263	19,015	20,476	39,491
1991	6,575	2,351	8,926	13,440	16,961	30,401	20,015	19,312	39,327
1992	6,575	2,048	8,623	14,185	16,035	30,220	20,760	18,083	38,843
1993	6,575	1,742	8,317	13,130	15,113	28,243	19,705	16,855	36,560
1994	6,575	1,432	8,007	13,605	14,252	27,857	20,180	15,684	35,864
1995	6,575	1,118	7,693	13,705	13,326	27,031	20,280	14,444	34,724
1996	6,575	802	7,377	14,540	12,348	26,888	21,115	13,150	34,265
1997	6,575	483	7,058	14,245	11,282	25,527	20,820	11,764	32,584
1998	6,575	161	6,736	14,810	10,195	25,005	21,385	10,357	31,742
1999	—	—	—	15,015	9,037	24,052	15,015	9,037	24,052
2000	—	—	—	15,350	7,831	23,181	15,350	7,831	23,181
2001	—	—	—	16,715	6,564	23,279	16,715	6,564	23,279
2002	—	—	—	15,165	5,226	20,391	15,165	5,226	20,391
2003	—	—	—	12,660	3,992	16,652	12,660	3,992	16,652
2004	—	—	—	11,495	2,957	14,452	11,495	2,957	14,452
2005	—	—	—	9,095	2,085	11,180	9,095	2,085	11,180
2006	—	—	—	7,200	1,367	8,567	7,200	1,367	8,567
2007	—	—	—	5,860	815	6,675	5,860	815	6,675
2008	—	—	—	5,880	351	6,231	5,880	351	6,231
2009	—	—	—	910	106	1,016	910	106	1,016
2010	—	—	—	745	79	824	745	79	824
2011	—	—	—	772	56	828	772	56	828
2012	—	—	—	545	33	578	545	33	578
2013	—	—	—	565	17	582	565	17	582
	<u>\$ 78,900</u>	<u>\$ 22,534</u>	<u>\$101,434</u>	<u>\$274,912</u>	<u>\$226,082</u>	<u>\$500,995</u>	<u>\$353,812</u>	<u>\$248,618</u>	<u>\$602,429</u>

Notes:

- (1) All obligations issued pursuant to Article X, Section 9(b).
 (2) All obligations issued pursuant to Article X, Section 9(c), except \$47,000,000 Transportation Facilities Bonds that have been defeased by U.S. Treasury obligations.

CONSTITUTIONAL DEBT LIMIT
FOR GENERAL OBLIGATION DEBT
SECTION 9(b) and SECTION 9(c)

Fiscal Years Ended June 30
(Dollars in Millions)

Calculation:

	1984	1985	1986
Individual and Fiduciary Income Tax	\$1,771	\$1,948	\$2,174
Corporation Income Tax	243	288	281
State Retail Sales and Use Tax	835	931	1,023
Total	<u>\$2,849</u>	<u>\$3,167</u>	<u>\$3,478</u>
Average for the three fiscal years			\$3,165
Debt Limit (1.15 times average)			<u>\$3,639</u>

Unused Capacity:

Section 9(b) Debt Limit	\$3,639
Outstanding Section 9(b) Debt	79
Unused Capacity for Section 9(b) Debt	<u>\$3,560</u>
Section 9(c) Debt Limit	\$3,639
Outstanding Section 9(c) Debt	275
Unused Capacity for Section 9(c) Debt	<u>\$3,364</u>

Notes:

As of June 30, 1986 there remained authorized and unissued Bonds of the following series:

Higher Educational Institutions Bonds:

1983	\$ 5,632,000
1984	1,506,000
1985	389,000
1986	25,665,000

Transportation Facilities Bonds:

1986	\$78,000,000
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In addition there are \$13,775,000 Higher Educational Institutions Refunding Bonds authorized in 1986.
Bonds listed above are whole dollars and are not included in the Debt Limit computation.

Source:

Virginia Department of Accounts

Virginia Department of the Treasury

**DEBT OF STATE AGENCIES, AUTHORITIES,
AND INSTITUTIONS NOT BACKED BY THE FULL
FAITH AND CREDIT OF VIRGINIA**

42

June 30, 1985 and 1986
(Dollars in Thousands)

State Agency Debt:

Institutions of Higher Education:

Auxiliary Enterprise Revenue Bonds:

Fixed-Rate	\$ 21,693	\$ 24,029
Variable-Rate	4,650	24,150

Teaching Hospital Revenue Bonds:

VCU-MCV	94,595	97,015
UVA	127,587	135,387

Bond Anticipation and Collateral Notes:

Fixed-Rate (1)	15,554	20,900
Variable-Rate	13,200	14,743

Total Higher Education	277,279	316,224
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Department of Highways and Transportation

Toll Road Revenue Bonds: (1)	18,815	18,895
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Total Agency Debt	\$ 296,094	\$ 335,119
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State Authority Debt:

Virginia Agricultural Development Authority	\$ 1,450	\$ 1,480
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Virginia College Building Authority	78,213	65,468
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Virginia Education Loan Authority (2)	387,846	423,400
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Virginia Housing Development Authority (3)	2,443,611	1,979,526
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Virginia Port Authority (4)	60,068	30,487
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Virginia Public Building Authority	103,450	105,920
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Virginia Public School Authority	223,240	198,670
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Virginia Resources Authority	61,624	—
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Virginia Small Business Financing Authority (5)	75,000	23,157
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Total Authority Debt	\$3,434,502	\$2,828,108
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Notes:

(1) Debt for which the Treasurer does not act as Trustee.

(2) Includes unamortized discount and issuance expense.

(3) Includes unamortized discounts and premiums and compound interest payable.

(4) Includes lease-purchase obligations.

(5) Estimated outstanding. Amortization schedules not available for 116 separate bonds through June 30, 1986.

OUTSTANDING DEBT OF CITIES, COUNTIES, AND TOWNS

June 30, 1983, 1984, and 1985
(Dollars in Thousands)

	Education	Streets, Roads and Bridges	General	Enterprises	Debt Fund Assets	Net Debt Balance
June 30, 1983						
Towns (1)	\$ 1,079	\$ 2,388	\$ 8,523	\$ 52,520	\$ 1,662	\$ 62,847
Cities (2)	292,848	114,081	638,395	511,163	27,231	1,529,255
Counties (3)	767,023	31,039	389,270	282,885	35,489	1,434,728
Totals	<u>\$1,060,950</u>	<u>\$ 147,508</u>	<u>\$1,036,186</u>	<u>\$ 846,568</u>	<u>\$ 64,382</u>	<u>\$3,026,830</u>
June 30, 1984						
Towns (1)	\$ 884	\$ 1,665	\$ 11,006	\$ 50,143	\$ 206	\$ 63,493
Cities (2)	294,844	104,152	640,638	524,971	30,515	1,534,090
Counties (3)	750,913	48,542	398,010	306,106	49,091	1,454,480
Totals	<u>\$1,046,641</u>	<u>\$ 154,359</u>	<u>\$1,049,654</u>	<u>\$ 881,220</u>	<u>\$ 79,812</u>	<u>\$3,052,063</u>
June 30, 1985						
Towns (1)	\$ 817	\$ 125	\$ 11,720	\$ 51,639	\$ 286	\$ 64,016
Cities (2)	296,879	124,893	740,553	553,621	24,701	1,691,246
Counties (3)	735,118	87,849	436,336	387,572	38,561	1,608,314
Totals	<u>\$1,032,814</u>	<u>\$ 212,867</u>	<u>\$1,188,609</u>	<u>\$ 992,832</u>	<u>\$ 63,548</u>	<u>\$3,363,576</u>

Notes:

- (1) Includes the 30 largest of the 188 towns in the State.
- (2) City debt includes assumptions through annexation.
- (3) County Debt Fund assets include receivables from cities due to annexation.

Source:

Auditor of Public Accounts "Comparative Report of Local Government Revenues and Expenditures" for years ended June 30, 1983, 1984 and 1985. Figures for 1986 were not available at the time of this report.

**PUBLIC FACILITIES BONDS,
HIGHER EDUCATIONAL INSTITUTIONS BONDS
AND TRANSPORTATION FACILITIES BONDS
DETAIL OF LONG TERM INDEBTEDNESS**

As of June 30, 1986
(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Bonds or Certificates:						
Century, 02-20-91 (1).....	\$18,115	3.00%	\$ 2	\$ —	\$ 2	01-01-37 (2)
Riddleberger Refunding, 03-03-32 (1).....	2,440	4.00	1	—	1	07-01-62 (2)
Subtotal.....			3	—	3	
Public Facilities Bonds:						
Series 1978, 12-13-77.....	125,000	4.50	26,300	(6,575)	19,725	08-01-87/88
		4.60	19,725	—	19,725	08-01-89/91
		4.70	6,575	—	6,575	08-01-92
		4.75	6,575	—	6,575	08-01-93
		4.80	13,150	—	13,150	08-01-94/95
		4.90	13,150	—	13,150	08-01-94/97
Subtotal.....	145,555		85,475	(6,575)	78,900	
Higher Educational Institution Bonds:						
Series 1971, 11-16-71.....	23,450	4.50	8,000	(1,400)	6,600	06-01-87/90
		4.00	3,600	—	3,600	06-01-91/92
Series 1973, 07-17-73.....	20,915	4.90	4,240	(995)	3,245	02-01-87/89
		5.00	3,750	—	3,750	02-01-90/92
		3.50	1,825	—	1,825	02-01-93/94
Series 1976, 06-03-76.....	19,555	5.25	13,205	(910)	12,295	06-01-87/96
Series 1979 A and B, 06-12-79	11,340	5.10	945	(465)	480	06-01-87
		5.25	8,200	—	8,200	06-01-88/99
Series 1979 C, 06-30-80.....	3,695	3.00	3,265	(95)	3,170	06-01-87/09
Series 1981, 11-17-81.....	4,932	3.00	4,497	(115)	4,382	06-01-87/11
Series 1982 A and B, 01-27-82	12,820	12.00	3,595	(400)	3,195	06-01-87/92
		11.00	1,400	—	1,400	06-01-93/94
		11.10	725	—	725	06-01-95
		11.30	775	—	775	06-01-96
		11.40	850	—	850	06-01-97
		11.50	925	—	925	06-01-98
		11.60	2,150	—	2,150	06-01-99/00
		8.00	1,295	—	1,295	06-01-01

Notes:

(1) Acts of Assembly approved this date.

(2) Date called for redemption.

(3) The Department of Treasury used \$30,202,434 to purchase U.S. Government Securities sufficient to fully provide the timely payment of the \$47,000,000 Transportation Facilities Bonds, Series 1973 (c), of the Richmond-Petersburg Turnpike.

PUBLIC FACILITIES BONDS

HIGHER EDUCATIONAL INSTITUTIONS BONDS

AND TRANSPORTATION FACILITIES BONDS

DETAIL OF LONG TERM INDEBTEDNESS (Continued)

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Series 1983 A, B and C, 03-16-83	\$11,186	3.00%	\$10,710	(\$ 245)	\$10,465	06-01-87/13
Series 1983 D, E, F, and G, 03-16-83	57,015	7.25	11,350	(1,550)	9,800	06-01-87/91
		7.30	2,475	—	2,475	06-01-92
		7.40	2,650	—	2,650	06-01-93
		7.60	2,875	—	2,875	06-01-94
		7.75	3,100	—	3,100	06-01-95
		7.90	3,325	—	3,325	06-01-96
		8.00	3,600	—	3,600	06-01-97
		8.10	3,900	—	3,900	06-01-98
		8.20	4,200	—	4,200	06-01-99
		8.25	4,530	—	4,530	06-01-00
		8.30	12,285	—	12,285	06-01-01/03
Series 1984 A, 04-24-84	2,890	3.00	2,780	(110)	2,670	06-01-87/04
Series 1984 B and C, 04-25-84	29,065	12.25	4,675	(625)	4,050	06-01-87/91
		8.00	1,050	—	1,050	06-01-92
		8.25	1,125	—	1,125	06-01-93
		8.50	1,250	—	1,250	06-01-94
		8.60	1,350	—	1,350	06-01-95
		8.80	1,475	—	1,475	06-01-96
		9.00	1,600	—	1,600	06-01-97
		9.10	1,725	—	1,725	06-01-98
		9.20	1,900	—	1,900	06-01-99
		9.25	9,455	—	9,455	06-01-00/03
		7.00	2,900	—	2,900	06-01-04
Series 1985, 05-15-85	24,690	7.60	7,625	(525)	7,100	06-01-87/95
		7.70	2,425	—	2,425	06-01-96/97
		7.80	1,375	—	1,375	06-01-98
		7.90	1,475	—	1,475	06-01-99
		8.00	11,790	—	11,790	06-01-00/05
Series 1986 A, 04-23-86	16,480	5.80	—	4,200	4,200	06-01-87/94
		5.90	—	700	700	06-01-95
		6.00	—	755	755	06-01-96
		6.10	—	800	800	06-01-97
		6.20	—	850	850	06-01-98
		6.30	—	1,875	1,875	06-01-99/00
		6.40	—	2,130	2,130	06-01-01/02
		6.50	—	5,170	5,170	06-01-03/06

PUBLIC FACILITIES BONDS

HIGHER EDUCATIONAL INSTITUTIONS BONDS

AND TRANSPORTATION FACILITIES BONDS

DETAIL OF LONG TERM INDEBTEDNESS (Continued)

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Series 1986 B, 04-23-86	\$24,650	5.00%	\$ —	\$ 5,385	\$ 5,385	06-01-87/90
		5.25	—	1,565	1,565	06-01-91
		5.40	—	1,665	1,665	06-01-92
		5.50	—	1,765	1,765	06-01-93
		5.70	—	1,895	1,895	06-01-94
		5.80	—	2,000	2,000	06-01-95
		6.00	—	2,135	2,135	06-01-96
		6.10	—	2,280	2,280	06-01-97
		6.20	—	1,995	1,995	06-01-98
		6.30	—	1,245	1,245	06-01-99
		6.40	—	2,720	2,720	06-01-00/01
				41,130		
Subtotal	262,683		184,217	(7,435)	217,912	
Transportation Facilities Bonds:						
Series 1973 (3), 12-01-73	103,000	4.75	47,000	—	47,000	Defeased
Series 1982, 12-01-82	57,000	11.90	500	—	500	12-01-86
		12.00	5,300	—	5,300	12-01-87/91
		8.00	1,500	—	1,500	12-01-92
		8.25	1,600	—	1,600	12-01-93
		8.50	1,750	—	1,750	12-01-94
		8.75	2,000	—	2,000	12-01-95
		8.90	2,250	—	2,250	12-01-96
		9.00	11,100	—	11,100	12-01-97/00
		8.75	31,000	—	31,000	12-01-07
Old and Unfunded Debt:			369	—	369	08-01-96/97
Subtotal	160,000		104,369	—	104,369	
				\$41,130		
Total	\$568,238		\$374,064	(\$14,010)	\$401,184	

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HIGHER EDUCATIONAL INSTITUTIONS BONDS

DETAIL OF LONG TERM INDEBTEDNESS BY INSTITUTION

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Detail for Higher Educational Institutions Bonds, 9(c):						
Series 1971		6.00 to 4.00%				06-01-87/92
Longwood College:						
Dormitory	\$4,250		\$1,910	(\$260)	\$1,650	
James Madison University:						
Physical Education Building	3,455		1,839	(208)	1,631	
Student Activities Building	1,645		875	(99)	776	
Dormitory	4,700		2,501	(283)	2,218	
University of Virginia:						
Parking Garage	200		109	(12)	97	
Dormitory	600		281	(33)	248	
Virginia Polytechnic Institute and State University:						
Dormitory	3,650		1,755	(205)	1,550	
College of William and Mary:						
Dormitory	2,800		1,318	(170)	1,148	
Physical Education Building	2,150		1,012	(130)	882	
Series 1973		5.50 to 3.50				02-01-87/94
George Mason University:						
Student Union Building	1,670		840	(100)	740	
Christopher Newport College:						
Campus Center	915		525	(55)	470	
Longwood College:						
Dining Hall	400		195	(25)	170	
James Madison University:						
Dining Hall	810		445	(45)	400	
Reed Infirmary	310		180	(15)	165	
Dormitory	2,735		1,595	(145)	1,450	
Norfolk State University:						
Cafeteria and Dining Hall	665		375	(40)	335	
Radford University:						
Student Activities Building	2,075		1,215	(110)	1,105	
Old Dominion University:						
Dormitory	3,640		1,900	(210)	1,690	
University of Virginia:						
Dining Hall	950		515	(55)	460	
Student Apartments	1,200		685	(60)	625	
Dormitory	1,750		1,000	(90)	910	
Virginia Military Institute:						
Lejeune and Crozet Halls	125		15	(15)	—	
College of William and Mary:						
Infirmary Building	570		330	(30)	300	

HIGHER EDUCATIONAL INSTITUTIONS BONDS

DETAIL OF LONG TERM INDEBTEDNESS BY INSTITUTION (Continued)

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Series 1976		5.10 to 5.25%				06-01-87/96
George Mason University:						
Student Union Building	\$1,600		\$1,255	(\$ 50)	\$1,205	
James Madison University:						
Dormitory	2,550		1,670	(120)	1,550	
Outdoor Recreational Athletic Facilities	750		485	(35)	450	
University of Virginia:						
Lambeth Field Housing	5,200		3,350	(260)	3,090	
Virginia Commonwealth University:						
Parking Facilities	4,900		3,315	(230)	3,085	
Virginia Polytechnic Institute and State University:						
Bookstore	1,200		805	(55)	750	
Virginia State University:						
Renovation and Dining Hall	355		240	(15)	225	
College of William and Mary:						
Renovation of Dormitories	3,000		2,085	(145)	1,940	
Series 1979		5.00 to 5.25				
George Mason University:						
Student Housing	4,100		3,315	(160)	3,155	06-01-87/99
James Madison University:						
Dormitory Complex	875		695	(35)	660	06-01-87/99
Dormitory Complex	3,695	3.00	3,265	(95)	3,170	06-01-87/09
Theatre Addition to Warren Center	1,300		1,030	(55)	975	06-01-87/99
Christopher Newport College:						
Tennis Courts	70		40	(10)	30	06-01-87/99
Norfolk State University:						
Student Housing	1,640		1,335	(65)	1,270	06-01-87/99
Old Dominion University:						
Addition to Student Center	2,000		1,620	(85)	1,535	06-01-87/99
University of Virginia:						
Executive Center Housing	715		575	(30)	545	06-01-87/99
Copley Hall—Graduate Housing...	640		535	(25)	510	06-01-87/99
Series 1981		3.00				06-01-87/11
Virginia Commonwealth University:						
Low Rise Dormitory	4,932		4,497	(115)	4,382	

HIGHER EDUCATIONAL INSTITUTIONS BONDS

DETAIL OF LONG TERM INDEBTEDNESS BY INSTITUTION (Continued)

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Series 1982		12.00 to 8.00%				06-01-87/01
Longwood College:						
Athletic Fields	\$ 100		\$ 85	(\$ 10)	\$ 75	06-01-87/92
Physical Education Building	630		580	(20)	560	06-01-87/01
Mary Washington College:						
Willard Hall Renovation	1,570		1,475	(35)	1,440	06-01-87/01
Old Dominion University:						
Powhatan Field Apartments	2,005		1,875	(40)	1,835	06-01-87/01
University of Virginia:						
Medical Center Parking	1,850		1,730	(40)	1,690	06-01-87/01
Food Service Building	850		795	(20)	775	06-01-87/01
Virginia Commonwealth University:						
Low Rise Dormitory	505		465	(15)	450	06-01-87/01
Ramp to Parking Deck	610		515	(40)	475	06-01-87/94
College of William and Mary:						
Randolph Residence	3,500		3,125	(135)	2,990	06-01-87/01
Cary Field Renovation	1,200		1,070	(45)	1,025	06-01-87/01
Series 1983		7.25 to 8.30				06-01-87/03
George Mason University:						
Field House	4,905		4,660	(135)	4,525	06-01-87/02
Residence Halls	7,950	7.25 to 8.30	7,550	(235)	7,315	06-01-87/02
University Union	6,750	7.25 to 8.30	6,415	(190)	6,225	06-01-87/02
James Madison University:						
Convocation Center	7,000	7.25 to 8.30	6,685	(180)	6,505	06-01-87/03
Longwood College:						
Dining Hall Renovation	115	7.25 to 8.30	105	(5)	100	06-01-87/98
French Dormitory Renovation	690	7.25 to 8.30	660	(20)	640	06-01-87/02
Old Dominion University:						
Powhatan Field Apartments						
Phase II	560	7.25 to 8.30	535	(15)	520	06-01-87/02
Mid-Rise Dormitory	6,000	7.25 to 8.30	5,730	(155)	5,575	06-01-87/03
Gresham Dormitory Renovation ...	1,210	7.25 to 8.30	1,160	(30)	1,130	06-01-87/03
Powhatan Field Apartments						
Phase II	3,636	3.00	3,480	(80)	3,400	06-01-87/13
Mid-Rise Dormitory	3,500	3.00	3,350	(75)	3,275	06-01-87/13
Radford University:						
Recreation and Convocation Center	3,500	7.25 to 8.30	3,325	(95)	3,230	06-01-87/02
University of Virginia:						
Clinch Valley College—						
Student Union	585	7.25 to 8.30	560	(15)	545	06-01-87/02
Newcomb Hall Additions	2,800	7.25 to 8.30	2,675	(70)	2,605	06-01-87/03
Student Housing	5,000	7.25 to 8.30	4,775	(125)	4,650	06-01-87/03
Virginia Commonwealth University:						
Low Rise Dormitory	4,050	3.00	3,880	(90)	3,790	06-01-87/13
Academic Campus Parking Deck	4,600	7.25 to 8.30	4,370	(130)	4,240	06-01-87/02
Medical College Gymnasium	850	7.25 to 8.30	810	(25)	785	06-01-87/02
Virginia Military Institute:						
Auditorium and Athletic Facility	4,500	7.25 to 8.30	4,275	(125)	4,150	06-01-87/02

HIGHER EDUCATIONAL INSTITUTIONS BONDS
DETAIL OF LONG TERM INDEBTEDNESS BY INSTITUTION (Continued)

As of June 30, 1986
(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Series 1984		12.75 to 7.00%				06-01-87/04
Christopher Newport College:						
Athletic Track	\$ 365		\$ 360	(\$ 10)	\$ 350	
Campus Center	2,215		2,170	(45)	2,125	
George Mason University:						
Parking Lot VIII	840		825	(20)	805	
James Madison University:						
210 Bed Dormitory	2,480		2,430	(55)	2,375	
138 Bed Dormitory	2,060		2,020	(45)	1,975	
Football Stadium Seating	2,300		2,255	(50)	2,205	
Longwood College:						
Main and North Cunningham	735		720	(15)	705	
Renovation						
Norfolk State University:						
Health and ROTC Building	2,400		2,355	(50)	2,305	
Old Dominion University:						
Rogers Hall Renovation	1,510		1,480	(35)	1,445	
Life Sciences Building Parking	1,350		1,325	(30)	1,295	
Athletic Facilities Renovation	4,000		3,925	(85)	3,840	
University of Virginia:						
Clinch Valley Housing	515		505	(10)	495	
Virginia Commonwealth University:						
Student Commons	6,875		6,740	(145)	6,595	
Low Rise Dorm Phase II	1,420		1,395	(30)	1,365	
Dormitory Renovation	2,890	3.00	2,780	(110)	2,670	06-01-87/04
Series 1985		7.60 to 8.00				06-01-87/05
George Mason University:						
Parking Lot IX	840		840	(20)	820	
Residence Halls II, Phase II	2,000		2,000	(45)	1,955	
Physical Education, Phase III	12,750		12,750	(275)	12,475	
James Madison University:						
Warren Campus Center Addition	3,350		3,350	(70)	3,280	
University of Virginia:						
Observatory Dining Hall Addition ...	870		870	(15)	855	
Sponsor's Hall Addition	1,820		1,820	(35)	1,785	
Student Activity Building	560		560	(10)	550	
Virginia Commonwealth University:						
Parking Deck E	2,500		2,500	(55)	2,445	

HIGHER EDUCATIONAL INSTITUTIONS BONDS

DETAIL OF LONG TERM INDEBTEDNESS BY INSTITUTION (Continued)

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Series 1986		5.00 to 6.50%				
George Mason University:						
Parking Lot #10	\$ 525		\$ —	\$ 525	\$ 525	06-01-87/06
Security/Information Building	305		—	305	305	06-01-87/06
Residence Halls II, Phase II	6,030		—	6,030	6,030	06-01-87/06
James Madison University:						
Telecommunications	3,850		—	3,850	3,850	06-01-87/01
Mary Washington College:						
Student Activity Center	3,000		—	3,000	3,000	06-01-88/06
Radford University:						
Norwood Hall Renovations	1,620		—	1,620	1,620	06-01-87/06
Virginia Polytechnic Institute and State University:						
Special Purpose Housing and Dorms	7,900		—	7,900	7,900	06-01-87/01
University of Virginia:						
Hospital Parking Garage	5,000		—	5,000	5,000	06-01-87/06
North Grounds Recreation Center....	2,500		—	2,500	2,500	06-01-87/01
Stadium Road Housing	10,400		—	10,400	10,400	06-01-87/98
Total	<u>\$259,583</u>		<u>\$184,217</u>	<u>\$41,130</u> <u>(\$ 7,435)</u>	<u>\$217,912</u>	

HIGHER EDUCATIONAL INSTITUTIONS BONDS

STATEMENT OF CONDITION OF BOND SINKING FUNDS

As of June 30, 1986
(Dollars in Thousands)

	Cash and Investments	Outstanding Debt June 30, 1986	Difference
Revenue Bonds:			
James Madison University:			
Dormitory—1963	\$ 123	\$ 75	\$ 48
Dormitory—1965	261	180	81
Dormitory—1967	375	435	(60)
Dormitory—1968	229	105	124
Mary Washington College:			
Dormitory—1961	77	28	49
Norfolk State University:			
Dormitory—1968	639	905	(266)
Dormitory—1982	65	3,792	(3,727)
Radford University:			
Dormitory and Dining Hall Facilities—1968	1,713	1,685	28
University of Virginia:			
Clinch Valley College Dormitory—1973	62	440	(378)
Dormitory—1962	1,531	860	671
Student Apartment—1962	—	140	(140)
Student Apartment and Dorm Building—1965	—	930	(930)
Virginia Commonwealth University			
General Academic Division:			
Dormitory—1965	1,236	995	241
Medical College of Virginia Health Sciences Divisions:			
Clinical Center—1965	1,003	675	328
Dormitory—1957	129	273	(144)
Dormitory—1965	460	360	100
Virginia Polytechnic Institute and State University:			
Dormitory and Dining—Reserve Maintenance	1,012	—	1,012
Dormitory and Dining Hall System—1965	1,297	2,810	(1,513)
Dormitory and Dining Hall System—1968	29	5,710	(5,681)
Student Center—1968	166	1,130	(964)
Dormitory and Dining Hall System—1984 B	—	4,650	(4,650)
Anticipation Note—1985	—	13,200	(13,200)
College of William and Mary:			
Dormitory—1967	462	165	297
Total	<u>\$10,869</u>	<u>\$39,543</u>	<u>(\$28,674)</u>

SPECIAL CAPITAL IMPROVEMENT REVENUE BONDS

DETAIL OF LONG TERM INDEBTEDNESS (1)

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Virginia Commonwealth University/ Medical College of Virginia Hospital, Revenue Bonds, Series, A 09-30-77	\$64,000	4.70%	\$1,500	(\$1,500)	\$ —	07-01-85
		4.80	1,575	(1,575)	—	07-01-86
		4.90	1,650	—	1,650	07-01-87
		5.00	1,730	—	1,730	07-01-88
		5.10	1,815	—	1,815	07-01-89
		5.20	1,910	—	1,910	07-01-90
		5.30	2,010	—	2,010	07-01-91
		5.40	2,115	—	2,115	07-01-92
		5.45	2,230	—	2,230	07-01-93
		5.55	2,350	—	2,350	07-01-94
		5.65	2,480	—	2,480	07-01-95
		5.70	2,620	—	2,620	07-01-96
		5.70	2,770	—	2,770	07-01-97
		5.90	33,515	—	33,515	07-01-06
Subtotal	64,000		60,270	(3,075)	57,195	
Medical College of Virginia Hospital Revenue Bonds Series B, 06-03-83	37,400	7.50	1,915	—	1,915	07-01-87
		7.80	2,055	—	2,055	07-01-88
		8.10	2,215	—	2,215	07-01-89
		8.40	2,395	—	2,395	07-01-90
		8.75	2,595	—	2,595	07-01-91
		9.00	2,825	—	2,825	07-01-92
		9.15	3,080	—	3,080	07-01-93
		9.30	2,970	—	2,970	07-01-94
		9.40	2,655	—	2,655	07-01-95
		9.50	2,140	—	2,140	07-01-96
		9.88	12,555	—	12,555	07-01-07
Subtotal	37,400		37,400	—	37,400	
Virginia Port Authority— Norfolk International Terminal Revenue Bonds of 1978, 06-23-78	10,300	5.30	500	(500)	—	11-01-85
		5.40	1,000	(500)	500	05-01 & 11-01-86
		5.45	1,000	—	1,000	05-01 & 11-01-87
		5.50	625	—	625	05-01 & 11-01-88
		5.55	250	—	250	05-01 & 11-01-89
		5.60	250	—	250	05-01 & 11-01-90
		5.70	250	—	250	05-01 & 11-01-91
		5.75	250	—	250	05-01 & 11-01-92
Subtotal	10,300		4,125	(1,000)	3,125	

Notes:

(1) This schedule includes only that debt for which the Treasurer is Trustee.

(2) Prepayment of University of Virginia Series D Bonds.

SPECIAL CAPITAL IMPROVEMENT REVENUE BONDS

DETAIL OF LONG TERM INDEBTEDNESS (Continued)

As of June 30, 1986

(Dollars in Thousands)

Series and Date of Sale	Amount Issued	Interest Rates	Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
Newport News Marine Terminal Revenue						
Bonds of 1980, 10-28-80	\$ 10,345	8.00%	\$ 645	(\$ 645)	\$ —	07-01-85
		8.25	700	—	700	07-01-86
		9.00	4,450	—	4,450	07-01-91
Subtotal	10,345		5,795	(645)	5,150	
University of Virginia Hospital						
Series B, 12-20-84	40,000	7.50	40,000	(40,000)	—	Defeased
Series C, 06-20-85	95,387	6.60	2,205	—	2,205	06-01-89
		6.90	2,350	—	2,350	06-01-90
		7.20	2,510	—	2,510	06-01-91
		7.40	2,690	—	2,690	06-01-92
		7.60	2,890	—	2,890	06-01-93
		7.75	3,110	—	3,110	06-01-94
		7.90	3,350	—	3,350	06-01-95
		8.10	3,615	—	3,615	06-01-96
		8.30	3,910	—	3,910	06-01-97
		8.50	2,475	—	2,475	06-01-98
		8.60	2,680	—	2,680	06-01-99
		8.75	2,915	—	2,915	06-01-00
		8.88	10,375	—	10,375	06-01-03
		9.38	6,292	—	6,292	06-01-07
		9.00	44,020	—	44,020	06-01-13
Series D, 12-18-85	37,200	variable	—	37,200	32,200	06-01-17
			—	(5,000)(2)		
Subtotal	172,587		135,387	(45,000)	127,587	
				37,200		
				(\$49,720)		
Total	\$294,632		\$242,977	(\$49,720)	\$230,457	

VIRGINIA PUBLIC SCHOOL AUTHORITY

LONG TERM INDEBTEDNESS (1)

As of June 30, 1986

(Dollars in Thousands)

School Financing Bond	Amount Issued	Interest Cost Authority (2)	Interest Rates		Outstanding July 1, 1985	Issued (Retired) During Year	Outstanding June 30, 1986	Maturity
			Authority (3)	Locality (4)				
Series 1968A	\$10,000	4.4174%	4.40 to 4.50%	4.50%	\$ 2,000	(\$ 500)	\$ 1,500	01-01-86/89
Series 1970A	25,000	5.6716%	5.90 to 4.00%	5.75%	1,000	(1,000)	—	01-01-86
Series 1971A	25,000	4.5375%	4.70 to 3.00%	4.60%	7,500	(1,250)	6,250	01-01-86/91
Series 1971B	13,000	4.9834%	5.00 to 5.50%	5.04%	3,850	(550)	3,300	01-01-86/92
Series 1972A	20,000	4.8659%	5.10 to 4.50%	4.95%	8,000	(1,000)	7,000	01-01-86/93
Series 1973A	15,220	4.8377%	4.90 to 6.00%	4.90%	6,860	(760)	6,100	01-01-86/94
Series 1974A	16,540	5.5649%	6.00 to 5.90%	5.65%	8,300	(830)	7,470	01-01-86/95
Series 1975A	16,550	5.4379%	5.90 to 7.00%	5.53%	8,295	(830)	7,465	01-01-86/95
Series 1975B	8,030	6.9591%	6.75 to 7.00%	7.05%	4,430	(400)	4,030	01-01-86/96
Series 1976A	16,165	5.8806%	7.00 to 5.00%	5.98%	8,860	(810)	8,050	01-01-86/96
Series 1976B	12,025	5.2426%	5.20 to 5.25%	5.34%	7,210	(605)	6,605	01-01-86/97
Series 1977A	12,485	5.0563%	5.00 to 5.10%	5.15%	7,445	(635)	6,810	01-01-86/97
Series 1977B	16,200	5.0220%	4.80 to 5.20%	5.12%	10,530	(810)	9,720	01-01-86/98
Series 1978A	16,210	4.9880%	4.90 to 5.00%	5.08%	10,530	(810)	9,720	01-01-86/98
Series 1978B	14,440	5.4970%	5.50%	5.59%	10,080	(720)	9,360	01-01-86/99
Series 1979A	16,250	5.6280%	5.50 to 5.75%	5.72%	11,360	(815)	10,545	01-01-86/99
Series 1979B	16,085	5.9903%	5.90 to 6.20%	6.09%	12,035	(810)	11,225	01-01-86/00
Series 1980A	19,375	8.3300%	8.00 to 8.90%	8.40%	15,460	(975)	14,485	01-01-86/01
Series 1982A	5,875	11.8600%	11.80 to 11.90%	1.91%	4,975	(300)	4,675	01-01-86/02
Series 1982B	3,245	10.5000%	10.50%	0.55%	2,275	(325)	1,950	01-01-86/92
Series 1982C	6,800	9.7500%	9.75%	9.85%	6,120	(340)	5,780	01-01-86/03
Series 1983A	11,475	7.8500%	7.50 to 7.90%	7.95%	10,335	(570)	9,765	01-01-86/03
Series 1984A	18,660	9.1290%	7.00 to 7.05%	9.20%	17,735	(925)	16,810	01-01-86/04
Series 1985A	13,485	8.6438%	5.25 to 9.00%	8.74%	13,485	(680)	12,805	01-01-86/05
Series 1985B	10,050	8.2900%	6.00 to 8.70%	8.39%	—	10,050	10,050	01-01-86/06
Series 1986A	18,050	6.8570%	6.00 to 7.30%	7.95%	—	18,050	18,050	01-01-86/01
Series 1986B	13,720	7.1000%	6.20 to 7.40%	7.20%	—	13,720	13,720	01-01-86/06
Total	\$389,935				\$198,670	\$41,820 (\$17,250)	\$223,240	

Notes:

(1) The Treasurer serves as Trustee of the Public School Authority.

(2) Effective interest cost of Authority Bonds.

(3) Coupon rates on Authority Bonds.

(4) Interest rate of Local Bonds.

By law, the Treasurer is a member of various State councils, boards and authorities some of which are empowered to issue tax exempt bonds.

State Council on Local Debt—Chairman*

The Council aids political subdivisions in the planning and marketing of bonds. The Council approves refunding of outstanding bonds of local governments.

Treasury Board—Chairman*

The Board provides advice and supervision in the financing of State equipment and buildings and makes recommendations to the Secretary of Finance and the Governor on methods by which capital outlay requirements of the State may be financed. It controls and manages all sinking funds and other funds in possession of the State in a fiduciary capacity and acts as issuing, sales and paying agent for bonds sold on behalf of educational institutions and State agencies other than independent authorities. A total \$41,130,000 9(c) Higher Education Bonds were issued in fiscal 1986.

Virginia Agricultural Development Authority—Commissioner

The Authority makes financing available for farmers and agricultural enterprises when private industry is unable to serve.

Virginia College Building Authority—Treasurer*

The purpose of the Authority is to provide capital financing to private higher educational institutions, finance equipment at the Commonwealth's public universities, and invest any funds held by the Authority. During fiscal 1986, the Authority assisted in a \$15.2 million financing for the University of Richmond.

Virginia Housing Development Authority—Commissioner

The Authority borrows money and issues bonds and notes and uses the proceeds to increase the supply of residential housing at prices or rentals persons and families of persons of low and moderate income can afford. During fiscal 1986, the Authority issued \$547 million of debt.

Virginia Outdoors Foundation—Trustee

The Foundation undertakes activities whose objectives are to preserve open space in the Commonwealth. It is empowered to accept, hold and administer gifts and bequests of money, securities or other property of whatsoever character, absolutely or in trust for the purposes of the Foundation.

Virginia Public Building Authority—Secretary/Treasurer*

The Authority was created to construct, acquire and operate public buildings and facilities for the State. The Authority issues its only bonds (\$108.3 million) in March, 1984, to acquire eight office buildings previously financed by the Virginia Supplemental Retirement System.

Virginia Public School Authority—Secretary/Treasurer*

The Authority may purchase and sell local school bonds, issue bonds to provide funds for the purchase of local school bonds, provide security for payment of bonds, invest any funds held by the Authority and repay the Literary Fund for all assets transferred to the Authority from the Fund. The Virginia Public School Authority had two bond sales in fiscal 1986 totaling \$41.8 million.

Virginia Resources Authority—Member

The 1984 session of the General Assembly created the Resources Authority to assist localities in financing water and sewer projects. In fiscal 1986, Virginia Resources issued debt totaling \$63.6 million.

*The Department of the Treasury provides staff services to these Authorities.

EXECUTIVE PAGE

ADDRESS

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SENIOR
MANAGEMENT

Wm. Clay Wiley	State Treasurer
Mary K. Ittermann	Special Assistant
Pat Watt	Director, Financial Policy Analysis
Gregory A. Schnitzler	Director, Cash Management and Investments
George E. Calvert, Jr.	Director, Debt Management
Vivian E. Herbert	Director, Abandoned Property
A. I. Samper	Director, Operations
Pankaj Doshi	Internal Auditor
Herb Hill	Employee Relations Director

SENIOR STAFF

Cash Management and Investments

Margaret H. Layne	Investment Officer
J. Braxton Powell	Cash Administrator
Robert S. Young	Bank Services Manager

Debt Management

Jennifer Lantrip	Debt Manager
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Abandoned Property

Susan F. Dewey	Audit Manager
Evelyn R. Whitley	Processing Manager

Operations

Chaya R. Jain	Assistant to the Director
Nancy P. Alley	Accounting Manager
Mildred B. Martin	Bank Reconciliation Manager

TREASURY
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Additional Reports May Be Obtained From The Treasurer,
Virginia Department of the Treasury,
P.O. Box 6-H, Richmond, Virginia 23215